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FINANCIAL TIMES

No. 25,565 Wednesday September 29 1971 ** 6p

News Summary

GENERAL

Action on spies 'not hasty'

Whitehall last night flatly rejected criticism by Mr. Michael Stewart, former Labour Foreign Secretary, for "over-hasty" expulsion of the 105 Soviet diplomats and officials.

To have sent the offending Russians home more gradually, as advocated by Mr. Stewart, would not have served Britain's interests, officials said.

The feeling in Whitehall is that there would be no hesitation in expelling more if the retaliatory action being considered in Moscow warranted it.

In Moscow, KGB head Yuri Andropov was among the high-powered Politburo group who held an emergency meeting at Vnukovo Airport. Pravda told its readers that a spy-scare and "anti-Soviet hysteria" were being whipped up in London. Soviet police posted extra guards outside the British Embassy and photographed diplomats at the gates. Page 7, Back Page

Lady Fleming is jailed

Lady Amalia Fleming, widow of penicillin discoverer Sir Alexander Fleming, was sentenced to 16 months imprisonment by an Athens military tribunal. She had pleaded guilty to planning the escape of Alexandros Panagoulis, a soldier sentenced to death for attempting to assassinate Premier Papadopoulos. Lady Fleming, with two other defendants, both American, may be expelled from Greece in a few days.

Mindszenty freed

An agreement between the Vatican and the Hungarian Government freed Hungary's Primate, Cardinal Mindszenty, 79, who flew to Rome. He thus ended 15 years' exile in the U.S. Embassy in Budapest, to which he fled after being freed during the 1956 uprising from life imprisonment for treason, imposed in 1948. Page 7

IRA fire rocket

A 3.5-inch rocket launcher was used in Belfast yesterday in an alarming stepping-up in firepower by the IRA. A rocket was fired at Andersonstown police station. It went through a window but did not explode. Terrorists badly damaged a bus depot in the Markets area of Belfast last night with bombs soon after the Ulster "summit" talks had ended. Shots were fired and £19,000 stolen in three raids in Ulster yesterday. Five men of the Ulster Defence Regiment were taken to hospital after their Land-Rover hit a landmine.

Hirohito the tourist

Emperor Hirohito, first ruling Japanese monarch to travel abroad, made a whirlwind tour of Denmark as two Japanese students were charged in a Copenhagen court with attempting a violent attack on him. They had been found at Kastrup airport, allegedly in possession of a Molotov cocktail, when the Emperor arrived.

Germ war ban treaty drafted

Final version of the draft treaty to ban biological weapons was tabled in Geneva under the joint sponsorship of the NATO and Warsaw Pact countries in the Committee on Disarmament. Britain's delegate, Mr. H. C. Ainsworth, called it the best available compromise. An easy passage through the UN General Assembly is expected.

People and places

U.S. Black Panther leader Huey Newton, on bail on manslaughter charges, crossed into China from Hong Kong for reported meetings with Chinese leaders.

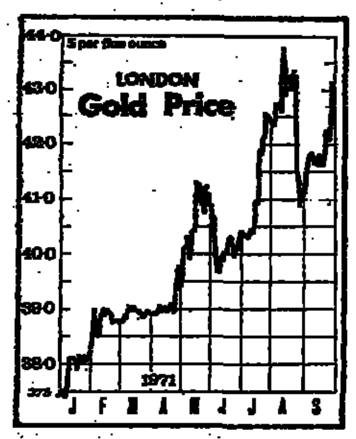
Port of London Authority's head office was evacuated again yesterday after the second bomb hoax within a week.

At least 12 died in an early morning fire yesterday in Eindhoven's well-known Silver Sea Horse hotel. Ten other people are missing.

BUSINESS

Speech hits Gilts and the £

● STERLING and the Gilt-edged market were both hit yesterday as a result of the Chancellor's forecast of erosion of the U.K.'s balance of payments surplus. His speech at the IMF's Washington meeting had a marked impact on the foreign exchange market.



● GOLD moved up 55c to close at $43.15. This was attributed to one or two substantial buying orders at a time when little metal was coming on to the market.

● EQUITIES eased, the index falling 2.6 to close at 417.5.

● COPPER was below the £400 mark for the first time since October, 1967, cash cathodes falling £8.25 to £396.5.

● TIN (£1,406.5, down £4.5) and LEAD (£90.25, down £2.625) hit news lows for the year.

● GILTS came back by amounts ranging up to ½, leaving the index at 78.94, a drop of 0.36 from the four-year peak of the previous day.

● THE £ started at \$2.4780, rose in the day to around \$2.480, but after the Barber speech was reported came back to \$2.4753, closing at \$2.4785½ (\$2.4801½).

● WALL STREET index closed at 884.42, up 0.95.

● THE \$ tended to gain a little ground against some European currencies. The D-Mark ended in London at 3.3132½. The yen moved up to 334½ to the \$1.

● INTEREST RATES on tax reserve certificates will be reduced from to-day to 3½ per cent. a year on both company and personal certificates.
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● LINES BROS. shareholders gave final approval yesterday to putting the parent company of Meccano, Triang and Pedigree toys group into creditors' voluntary liquidation.
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● LORD FISKE, chairman of the Decimal Currency Board, yesterday suported traders' organisations in their denial of the accusation by Agriculture Minister James Prior that some traders had used confusion over decimalisation to overcharge shoppers.
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● CONSTRUCTION INDUSTRY new orders continue to rise in value, says the Department of the Environment. In July, at an estimated £335m., they were running about 10 per cent. above the average level of last year.

LABOUR

● AEROSPACE MINISTER Frederick Corfield has been invited to Bristol for talks to-morrow aimed at resolving the redundancy dispute on Concordes at BAC's Filton works.
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● TALKS OPEN to-day between Govan Shipbuilding and the unions on the future of shipbuilding on the Upper Clyde.
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COMPANIES

Rowntree-Mackintosh forecast year's profits in excess of the July estimate of £7.5m.

Adwest showed a first-half increase from £466,399 to £556,477 and is stepping up its dividend by 3 per cent. to 28 per cent.

Britain seeks reserve role for SDRs

Barber's warning on payments outlook

BY PAUL LEWIS, U.S. EDITOR, Washington, Sept. 28

THE Chancellor of the Exchequer, Mr. Anthony Barber, seized the initiative in the currency crisis to-day with proposals for a sweeping reform of the world monetary order in which the reserve currencies would be gradually replaced by the IMF Special Drawing Rights as the pivotal point of an entirely new system.

Broad support for his thinking came from the Finance Ministers of Japan, Italy and France in separate speeches to the annual meeting of the IMF. All of them said that the time had come to phase out the reserve currency position of the dollar and the pound to ensure a more prominent role for the Special Drawing Rights in world liquidity creation.

Trade prospects

At the same time, Mr. Barber drew a sober picture of Britain's payments prospects in his speech to the assembled Ministers and stressed that stable economic growth must not once again be prejudiced by balance of payments considerations.

In this way he made clear to his colleagues in the Group of Ten that, while Britain was anxious to play a leading role in resolving the present crisis, it could not be expected to accept an unrealistic revaluation of the pound as part of a general currency realignment negotiated in exchange for the removal of the American import surcharge.

The Chancellor said that the voluntary industrial price freeze and the expected slackening in wage settlements should lead to a more acceptable rate of inflation in Britain in the future. But he warned that the ravages of past price rises combined with the higher rate of domestic expansion which the Government was now seeking would "lead to a substantial increase in imports." He concluded this part of his speech by saying: "It will be essential to ensure that balance of payments difficulties do not once again frustrate our efforts to secure a sustained growth with steadier prices."

On the immediate currency crisis, Mr. Barber said that he hoped a solution could be reached on the basis of the procedural agreement made by Ministers of the Group of Ten last Sunday. This should involve "a realistic parity realignment" as well as measures in other fields to ease the American payments problem. Although he supported "some limited widening" in support margins to help central banks control speculative flows of capital, he reaffirmed his fundamental support for the fixed par system by emphasising that "market rates should be held inside these limits."

But the French Finance Minister expressed the fear that the threat of world recession which he saw on the horizon would make countries reluctant to revalue their currencies as part of an immediate settlement. It is known that the IMF staff are strongly in favour of domestic reflationary measures by revaluing countries to replace the demand that would be taken out of the world system by a U.S. payments swing from deficit to surplus.

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Mr. Barber went on to argue that, whatever its inconveniences, the monetary crisis at least had the merit of opening the door to a long-term reform of the existing system. The changes he wished to propose were designed essentially to bring about smoother operating conditions by ensuring that all countries, and above all the U.S., could change their parities more easily in the future. The new monetary system should be based primarily on the IMF Special Drawing Right and would have three principal characteristics:

1—The parity of all currencies would be expressed in terms of SDRs rather than the dollar and gold as at present. It would therefore be in terms of this unit that countries devalued or revalued in the future. All would have the option of meeting their convertibility obligations by buying or selling SDRs against their own currency.

2—The SDR would gradually supplant the dollar and the pound to become the main reserve asset in the world. Mr. Barber suggested that countries holding these currencies in their reserves should progressively exchange them with the IMF for SDRs. In this way, the reserve currency system would be phased out without any net change in world liquidity. Central banks would continue to hold working currency balances and to intervene in currency on the markets.

3—The future growth of world reserves should come primarily through the creation of additional SDRs on a planned basis rather than from the payments deficits of individual countries as at present. This had always been the aim of the SDR scheme and the time had now come to make it a reality.

The Chancellor emphasised that one of the main advantages of an SDR-based system was that it would allow the U.S. the same freedom to change its parity as other countries by ending the

Continued on Back Page

£10m. ultimatum from BSC upsets plant manufacturers

BY HAROLD BOLTER, INDUSTRIAL CORRESPONDENT

BRITAIN'S leading electrical generating plant manufacturers have been told that, unless they take part in a consortium prepared to invest as much as £10m. in the British Steel Corporation's River Don works at Sheffield, the BSC will close down the only press in the country producing the huge mono-block forgings used for turbine rotors and shafts.

This ultimatum has caused considerable consternation among members of the British Electrical and Allied Manufacturers' Association, particularly GEC and Reyrolle Parsons. They would have to import all their supplies of these forgings, which can each weigh up to 200 tons, if the press is shut down.

Strategic

The River Don press, the biggest in the U.K. with a capacity of 9,600 tons, also has some strategic importance in armaments manufacture.

For this reason, Lord Melchett, BSC's chairman, has suggested that the Government should consider providing some of the finance needed to keep the press operational, as part of the suggested consortium of heavy electrical plant and Central Electricity Generating Board interests.

This consortium would be a separate entity, and not a BSC subsidiary. As such, the companies investing in it would have a financial incentive to keep it operating near capacity on a viable basis, the Corporation argues.

BSC claims that in the past some manufacturers have bought forgings from overseas, even when the River Don press has been under-utilised, to gain a marginal price advantage. It is operating well below capacity at the moment.

Lord Melchett has made it clear that, unless the BSC gets financial support from either the Government or private industry, or both, the press will be closed down, as part of the general closures of River Don.

For their part, the heavy electrical plant-makers have emphasised to the Government the importance of their industry as an exporter in its own right, and the danger for it of being totally dependent on overseas steelmakers for heavy forgings. They are awaiting fuller details of the consortium plan before taking a decision.

According to BSC, the market for mono-block forgings—used for the rotors for steam turbines and big electrical generators, electrical turbine shafts and columns for chemical plant—is likely to diminish further over the next few years.

It also claims that new technology could make it possible to make the forgings in welded sections rather than a single block, making the present big press operation obsolete within five years.

With the BSC currently making a loss of about £100m. a year, Lord Melchett is determined to go ahead with the closure of such plants at River Don, which made a loss of £1m. last year and has never made a profit since nationalisation.

The loss at River Don this year could be as high as £1.5m., and BSC claims that, even if £10m. is spent on modernisations, the plant is unlikely to get into the black, even on the basis of optimistic assumptions of future demand and cost improvements.

Redundancies

In June this year the BSC announced that the closure of River Don could involve as many as 4,500 redundancies, 1,100 of them at the associated Grimesthorpe foundry.

Workers have now been told, however, that the Corporation is prepared to give the management and employees at Grimesthorpe two years to try to make the foundry work profitably. At the moment, it is losing nearly £500,000 a year.

This partial reprieve will reduce redundancies at Grimesthorpe to 300, and overall dismissals planned with the River Don complex to 3,700.

Lord Melchett has also told union leaders that BSC is seeking Government permission to spend between £50m. and £70m. on the modernisation of plant in the Sheffield and Rotherham areas over the next ten years.

But this expenditure, if approved, would be devoted mainly to its stainless steel interests at Shepcote Lane, Tinsley Park and Stocksbridge, and not heavy forgings.

This investment depends partly, in turn, on BSC going ahead with its agreement to acquire the privately owned Firth Brown's stainless steel interests in Shepcote Lane in return for the acquisition by Firth Brown of BSC's closed die-forging activities at River Don and also BSC's goodwill in medium-size alloy open die forgings.

BSC's firmness over the River Don ultimatum to the Government and heavy electrical plant manufacturers is indicative of the serious financial position in which it finds itself.

Further heavy redundancies within the Corporation are likely to be announced shortly, it is believed, as BSC presses ahead with its overall objective of producing more steel with fewer workers from more efficient plant, and dropping out of steel-making areas where it feels a viable operation is not possible.

Extra £50m. for public works

BY RICHARD EVANS, LOBBY CORRESPONDENT

In an effort to counter growing unemployment the Government has authorised the pumping of an additional £50m. into the emergency two-year public works programme for development and intermediate areas announced in July.

The capital works programme announced then for new roads, schools and other projects in areas of high unemployment amounted to £100m. but because of the good response from local authorities additional capital expenditure of at least £50m. is being permitted and more could follow at a later stage.

Strong denial

This was announced yesterday by Mr. William Whitelaw, Lord President of the Council, in a speech at Nottingham in which he strenuously denied that the Government was showing insufficient concern over the high level of unemployment.

The announcement shows that because of the failure to peg the rise in unemployment the Government is giving open encouragement to local authorities to submit all public works schemes in the hope that a significant number of new jobs will be created.

Mr. Whitelaw, in order to repudiate charges that the Government has made no provision for a public works programme, outlined the measures already taken to create new jobs including extra investment incentives for new plant and machinery and free depreciation for service industries; additional allocation for housing improvement; and the emergency £100m. capital works programme.

He emphasised that from all these programmes the total of new Government aid specifically aimed at creating jobs already added up to "the massive figure of nearly £400m."

Confidence

He said he was confident that in the course of next year, as a result of the Chancellor's measures there would be considerable industrial expansion. Many of those looking for work would be absorbed into productive industry and the whole country stood to benefit. "In the meantime, far from standing aside, the Government is giving convincing proof of its continuing determination to reduce the high level of unemployment," he insisted.

Ulster talks: 'greater understanding'

BY JOHN BOURNE, LOBBY EDITOR

THE MEETING of the three Prime Ministers on the Northern Ireland crisis ended yesterday, having achieved what they called "an atmosphere of greater understanding"—particularly between Mr. Lynch, the Irish Republic Premier, and Mr. Faulkner, the Ulster Premier—but with their argument about internment unresolved.

The two Irish Premiers also still hold opposing views on whether Roman Catholics belonging to republican parties should be taken into a broader based Stormont Government.

But all the Premiers hope that their two-day Chequers meeting will give a fresh impetus to attempts to end the violence in Ulster and bring Catholics into the administration.

Serious

Mr. Lynch said he would meet leaders of the Social Democratic and Labour Party and the Nationalists from Ulster and give them an account of his talks with Mr. Heath and Mr. Faulkner. The British Government hopes that he will encourage the SDLP to drop its refusal to meet Mr. Maudling, the Home Secretary, but last night Mr. Lynch said he would not advise the SDLP one way or the other, although he is personally eager to see the talks get off the ground.

At a Press conference he said that unless Opposition MPs at Stormont were brought into talks on Ulster "very, very quickly," there was a danger that support for the IRA would grow. He thought the situation was "very serious."

Commenting on the "big problem" of internment he said that the SDLP would not attend the Maudling talks unless internment had ended, or internees could be charged.

Mr. Lynch told Mr. Heath and Mr. Faulkner at the Chequers meetings that the continuation of internment was the obstacle preventing this minority party from accepting Mr. Maudling's invitation to talks. Later he told a Press conference: "We did not get anywhere on internment. Internment is a fact, but we will have to try to see if we can find some way to get round it."

The only new point on internment which he can take back to the SDLP is Mr. Heath's assurance that Mr. Faulkner's advisory committee—the appeals body for the internees—has already started work on reviewing every case, and will complete its task as quickly as possible. On the other hand Mr. Heath made it clear that the policy of internment would continue.

Irish officials believe that the review could lead shortly to the release of some of the 219 men originally interned, and they think that this could conceivably lead to some softening in the attitude of the SDLP. But no one in London last night was confident that this would be enough to lead the SDLP to lift its ban.

Mr. Gerry Fitt, leader of the SDLP, reiterated that his party would not meet Mr. Maudling until the "road block" of internment had been removed.

A communiqué after the Chequers meetings made it clear that the premiers had concentrated on achieving the widest area of common ground. It said: "We are at one in condemning any form of violence as an instrument of political pressure, and it is our common purpose to seek to bring violence and internment and all other emergency measures to an end without delay.

"We also recognise that to bring violence quickly to an end and to resume economic, social and cultural progress means must be found to establish harmony and co-operation between the two communities in Northern Ireland.

"Our discussions in the last two days have helped to create an atmosphere of greater understanding between us and it is our hope that the process of political reconciliation may go forward to a successful outcome.

"We agree that our meeting has served a significant and useful purpose in present circumstances, and we believe that further meetings may have a helpful part to play in the future."

Mr. Lynch and Mr. Heath have agreed to keep in close touch. Their next meeting, mainly to discuss the applications of both countries to join the EEC, will be in November after the key Common Market debate in the Commons.

Mr. Lynch was eager to impress Mr. Heath and Mr. Faulkner with the measures his Government had taken to control the Border, and all three agreed that the running of explosives from the Republic into Ulster should be stopped.

Committed

When Mr. Heath and Mr. Faulkner said that they wanted joint measures with the Republic to control the border, and to stop the smuggling of gelignite, Mr. Lynch replied that the Republic was already carrying out patrols of the border. His argument was that the Republic had already stepped up its measures, and he explained the strict control it exercised over the use of explosives.

As expected all three Prime Ministers agreed not to discuss the constitutional position of Northern Ireland, and they announced afterwards that they recognised "that each of us remains committed to his publicly stated position" on this subject.

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THE £ ABROAD

—	Close Sept. 28	Close Previous
New York (Spot)	\$2.4784-4789	\$2.4775-4780
Do. (1 month)	0.50-0.60prem	0.30-0.34prem
Do. (3 months)	1.40-1.50prem	1.72-1.76prem
Do. (12 months)	2.00-2.20prem	2.40-2.80prem

CHIEF PRICE CHANGES

(Prices in pence unless otherwise stated)

RISES

Adwest Group	172	+ 16
Allied London Prop.	68	+ 6
Campari	162	+ 12
EMI	141	+ 6
Greensitt & Barratt	106	+ 6
Jardine Matheson	360	+ 20
Kessel Toynbee	420	+ 20
Lloyds Bank	580	+ 6
Marshalls Universal	228	+ 18
Philips' Lamp	510	+ 25
Rowntree Macknish.	620	+ 50
Symes (A. E.)	82	+ 6
Universal Printers	260	+ 8
Wimpey (Geo.)	203	+ 5
Ceylon Tea Plntatns.	172	+ 9
Whim Creek	187	+ 7

FALLS

Treasury 9pc 1994	£106¼	— ¾
Treasury 8½pc	£101¾	— ½
War Loan 3½pc	£42⅜	— ¼
Brit.-Amer. Tobacco	317	— 12
British Debt Services	178	— 12
DRG	151	— 7
Dennis Motors	105	— 8
Eagle Star	482	— 10
Hardy (Furnishers)	150	— 15
Hudson's Bay	905	— 40
Man. Agency & Mus.	144	— 16
Ransome Hoffman	85	— 10½
Reyrolle Parsons	126	— 6
Triplevest Capital	275	— 23
Wilkes (J.)	150	— 10
Wright Bindley	46	— 14
York Trailer	132	— 8
Bougainville P/pd.	70	— 10
Cons. Murchison	245	— 15
Gold Fields	185	— 12
Poseidon	750	— 50
Spargos Exploration	25	— 5
Tara Exploration	680	— 45
West Drie.	830	— 25

U.K. DAILY STOCK INDICES

F.T.-ACTUARIES

	Sept. 28	Sept. 27	Yr. ago
Industrial Group	172.81	174.13	—
500-Share	185.24	187.72	146.39
Div. yield pc	3.56	3.61	4.48
P/E Ratio	18.08	18.22	14.73
All-Share	183.80	185.28	138.20
Consols yield pc	8.57	8.49	9.29

FINANCIAL TIMES

	Sept. 28	Sept. 27	Yr. ago
Govt. Secs.	78.94	79.30	70.65
Fixed Interest	78.39	78.48	72.66
Industrial Ord.	417.5	420.1	344.2
Gold Mines	47.9	48.5	49.5
Ord. Div. Yield	3.71	3.69	4.61
Earnings Yield	5.82	5.78	6.35
P/E Ratio	17.17	17.30	15.74
Dealings marked	13,118	12,714	18,453

Industrial Ord. (noon) 418.9
For latest share index phone (01)-246 8026

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Letters to the Editor

BRACKEN HOUSE, CANNON STREET, LONDON, EC4

CBI and EEC · Currency crisis · Money supply

Sir,—In his Lombard column *of September 27 Mr. C. Gordon* Tether implies that the CBI did not adequately consult its members on the *question of* Britain joining the EEC. Similar doubts were expressed in letters to you, published on September 24, by Mr. James Towler and Mr. Newton Jones.

Since 1966 the CBI has been at pains to inform its members about the implications of joining the EEC. At no time has it tried to influence their judgment, and the views we are now expressing are based on the *feed-back from an intensive* testing of opinion over a period of five years.

These membership consultations culminated this year in special regional meetings at which votes showed large majorities in favour of joining the EEC. In addition, 10 of our 12 regional councils met speci*ally to consider the question and* two were consulted by post. without exception the Councils found the terms negotiated acceptable, though admittedly with reservations on certain points.

Support affirmed

On August 19 a special meet*ing of trade associations and* employers' organisations left no doubt that those bodies looked forward to the opportunities of EEC membership. The relevant CBI committees were consulted. Among these the Smaller Firms' Council voted in favour of acceptance of the terms by 24 votes to two, with two abstentions—which might be taken to answer Mr. Tether's *suspicion* that the heavy-weight companies wielded a disproportionate influence.

Finally, there were two major debates in the CBI Council which, on September 15, re*affirmed its support of entry on* the terms negotiated.

Both Mr. Towler and Mr. Newton Jones misjudge the response to my letter asking member firms if "you or your company would care to express a view as to whether Britain should join the EEC." This was sent out on August 6 after the various *meetings in the regions, and the* CBI committees in London, had recorded their views. In other words I was not by means of the letter conducting a poll or expecting a very high response. Nevertheless, 1,065 replies were *volunteered to us, of which* 55 opposed entry to the EEC. 33 were neutral, and 975 were in favour.

Part of my purpose in writing to members was to give those opposing entry to the EEC another opportunity to state their objections. The fact that they did not do so is, I believe, mis*understood* by Mr. Tether. The great likelihood is that they, in common with other members, felt that the process of consulta*tion had already been adequate.*

As for Mr. Tether's suggestion that we gave members only *three weeks at the peak of* the holiday season to make up their minds, this fails to comprehend the long period of consultation among the members that I have outlined.

One cannot, of course, in an organisation like the CBI ever be certain that every single member has recorded his view, but I *would be* prepared to argue that consultation on the question of our entry to Europe *has been as intensive and wide*-ranging as possible.

Campbell Adamson,

21 Tothill St., S.W.1.

New monetary order

Sir,—In the heat of the debate on international monetary affairs *it is easy to lose sight of a few* basic truths.

The problem of realistic rates of exchange for national currencies relative to one another will always be with us. In an ideal world gradual changes *would occur thus* preventing the type of explosion we have now.

The European and Japanese governments are faced with the unpleasant fact that a shift in the balance of trade with the U.S. must occur in favour of the *latter in order to redress the* acute payments deficit made critical by Mr. Nixon's earlier refusal to acknowledge its existence. The *danger* is now caused by America's selfish gunboat policy demanding quick action which could lead to a depression in Europe. Preferably the Europeans should aim for a gradual *re-orientation of their home* economies away from exports towards satisfying their own needs, accepting a small deficit themselves with the U.S. and thus maintain full employment. Thus the U.S. increasing at first *its reserves could then extend* aid to the underdeveloped world.

A quite separate problem concerns the nature and value of world monetary reserves.

Clearly national currencies such as the dollar are in the long term unacceptable as has been made apparent. SDR's suffer *from a series of major weak*nesses: who will control their issue, on what basis will their volume be allowed to increase, what independence from the issuing body would a nation possess if it wished to follow a *different path, would this paper* money be able to be blocked as dollars are now by any U.S. government wishing to influence a country's policies? Increasingly gold looks the safest best bet.

The most realistic solution is *to use gold imaginatively as the* centre of a new monetary order. Each national currency should be *defined in terms of* ounces of gold but allowed and encouraged to crawl up or most probably down in step with the level of inflation. Put another way gold would move up in price as measured by paper currencies in step with the average rate of inflation in the world. Thus it would remain as a constant store of wealth *in real terms, the ideal* medium of exchange and basis for independent countries' *reserves.*

Private individuals should also be allowed to buy and hoard gold as a constant store of value but without being able to make a profit in real terms.

Since America stopped converting dollars into gold and precipitated the present crisis, we Europeans have been most *noticeable in our weakness in* standing up to Mr. Nixon and his negotiating team. It should be noted that the rest of the free world does not need the approval of the U.S. Congress to buy and sell gold at any price we *may wish. Mr. Connally may be* a tough Texan and an expert poker player but perhaps it is time to play our ace.

G. Lefevre.

8, Hurtey Road, Walton-on-Thames.

Gold and raw materials

Sir,—I am surprised that the advocates of a revaluation, upwards, of gold have not placed in the forefront of their case the effect that such a revaluation would have upon raw material prices in general, thus restoring to the underdeveloped countries that boom which the curtailment of aid inevitably involves.

Special drawing rights, in contra-distinction, go almost entirely to the developed countries—encouraging them to trade more and more among themselves and so leading to the perpetuation, and intensification, of the gap between developing and developed countries.

M. G. Kenyon Pierson.

The Hill House, Bodenham, Herefordshire.

Valuing work in progress

Sir,—I have been following the *discussion of work in progress* valuation in your columns for some time. Many different methods have been expounded, each by correspondents who presumably have experience in this field and who find that their *methods possess some* merit in their particular circumstances.

The mistake that is made all too often is that, as noted by Mr. Fyne (Sept. 24), it is not appreciated that the accounting function ceases to be useful when it becomes ridiculous. Mr. Jeffries (Sept. 15) was criticised by Mr. Williams (Sept. 24) who easily dreamed up an imaginary example that ridiculed that method. Likewise Mr. Williams exposes himself to an attack against his arbitary definitions. Surely, no one method will *suffice in all instances?* One mans meat is another mans poison, yet neither correspondent makes any attempt to define his terms of reference.

The essential point that should be kept in mind must obviously be that the final figure must represent a fair and adequate picture of the state of affairs at the particular time. The method used is of secondary importance. It may be highly individualistic but should minimise the overhead of "a large army of beavering accountants" and must remain constant.

Cedric B. Blacker,

87, Norfolk Road, Sheffield.

Market sector divergence

Sir,—I would like to congratulate the author of Lex column, September 27, entitled "Divergence between market sectors," and offer some further comments.

It is a well-known axiom among technical analysts that a market which becomes subject to "churning" action (for example a tendency for interest to shift from share to share and sector to sector, as opposed to a market where improvement in sectors *emerge one by one) is at or* nearing a top. As the author so rightly points out, it was this characteristic that gave evidence of the 1964 top, and the top in December 1967. He goes on to conclude that Unit Trust figures indicate we are either at the initial stage of a prolonged bull market awaiting public partici*pation or, alternatively,* entering an economic recession.

Although the conclusion is basically correct, I feel further elucidation is required. With respect to the 1964 market top, this was a period where a full bull cycle was completed, with public participation adding fuel to the initial groundwork. The *same could be said of the 1967* top. Both of these were major tops comprising public participation following a prolonged bull move. Should we now have a market top, this would be one where public sponsorship had *not* been present, since the market has been dominated by professionals and speculative account traders for the major part of its rally. To find the answer we must differentiate between the characteristics of a major top as was present in 1964 and 1967, and that which would constitute an intermediate top.

One of the reasons it appears that an intermediate top is imminent is this lack of public participation, in which case Unit Trust figures are actually consistent with what is happening *now. Should we have had a* market where the public believed its permanency, they would have entered before now and it is doubtful whether we would see the current "churning" action.

In essence, both Unit Trust figures and market action are totally consistent with a pro*longed rally* in a bear market, being six months in duration and retracing approximately 50 per cent. of the previous bear market move—categorically, the basic tenets of a Dow Theory bear market rally.

R. C. Beckman,
Investors Bulletin.

Suite 491, Park West, Edgware Road, W.2.

Money supply and prices

Sir,—I am afraid it is your correspondent, Mr. Stead *(September 27), who, in taking* up Mr. Slingsby as to the relation of money supply to inflation, confuses cause with effect. Mr. Stead suggests that "there cannot be sufficient funds available to purchase all the goods *producible, at the price at* which they are sold." If the situation were left thus, there would be a "shortage" of money and by the laws of supply and demand, its value would rise. In other words, prices would fall. *In fact* a shortage of money or a lessening of its supply must always *reduce or keep down prices, and* every increase in the money supply will send them up.

Mr. Stead *says* that Mr. Nixon sought to control inflation by tight control of money supply and that "the rest is history." But what history will also record is that President Nixon got cold feet and could not wait *for the time lag to produce the* predictable effect. He panicked and resorted once again to debasing the dollar with the consequences we have recently seen. This also is history.

I felt tempted to take up Mr. Stead on his forecast that the recent faster increase in the supply of notes will help to stabilise the rate of inflation over the next three years by asking him to back his forecast with a bet in £s. However, I decided against this since the £s I would win would have lost so much of their value over three years that they would not be worth collecting.

V. H. Blundell.

74 Alexandra Park Road, Muswell Hill, N.10.

Factors behind unemployment

Sir,—Mr. J. Richard N. Stead appears to have misread my letter (Sept. 14), for he says (Sept 27) that from the figures I quoted, the money supply has increased more slowly than prices, and that the result of this *must be stagnation, for there* cannot be sufficient funds available to purchase all the goods *producible at the price at* which they can be sold.

The figures I gave concerned the money supply and output, not prices. *I said that the in*crease in the note issue did not appear to have had any appreciable effect on output, but that the increases in wages, salaries, prices and the note issue appeared to be related.

As he forecasts that the recent faster increase in the note issue will stabilise inflation over the next three years, it is pertinent to observe that since I wrote that letter there have been further reductions in the note issue total*ling £75m. It is now only 11 per* cent. greater than in June 1969, or 6 per cent. greater than at the *time of the General Election.* The money supply at least is now being stabilised.

I also said I was sure stagnation was not related to the note issue, that it was a very different problem from inflation, and em*braced the causes and cures of* unemployment. May I enlarge?

Output is directly related to sales. One of management's jobs is to ensure that this is so, in the long run. Consider the factors which decide sales—how people and firms spend their incomes. There are certain relatively steady charges—tax*ation, national insurance, rent* and rates, followed by purchases which vary enormously depending upon individual needs and preferences, changes in the nature of what is offered and its availability, upon advertisement and reputation, and all are affected by the prices charged in relation to the amount each *buyer has available to spend,* or is tempted to borrow.

There are so many variables it is quite impossible for managements to forecast precisely what will sell each week, and therefore what to produce. Over production is bound to occur, and this leads to redundancy. Even if it was possible to forecast sales exactly it would be impossible to produce *quantities* exactly, for the more mechanised industries become, the more in*flexible they are. People tend to* become job specialists, and incapable of switching jobs at the speed required by changes in sales. Full human utilisation becomes impossible. Moreover, people who look on themselves as specialists develop the wrong attitude towards job changing (and many are influenced to maintain they are specialists by generous social security benefits).

I submit that these are the real factors behind unemployment.

Any government's ability to cure the problem by financial means is small in relation to its size. What might look like massive help in any one direction can only have temporary and token effect on the problem as a whole. There are temptations too for governments to take actions for political purposes. It is as wrong to blame governments for unemployment as to credit them with the ability and power to cure it.

To me the answer to the problem lies in teaching all that redundancy is a byproduct of *material prosperity and tech*nological progress, in teaching managements not to delay redundancy until its effect is massive in the hope that it will not be necessary, in cultivating a *highly flexible* work force *which is not frightened of job* changing, in refusing to accept the idea of one job for life, and in ensuring that retraining facilities are really adequate.

The number of unemployed shows the extent to which we are successful or not in doing so.

D. J. Slingsby,

25, Ben Rhydding Drive, Ilkley, Yorkshire.

Up-to-date management

Sir,—Although Mr. P. A. Cartwright (September 24) is in favour of the "new" in management, he clearly has not himself kept up to date with British Institute of Management developments over recent years. It is true that BIM acts as a "purveyor of the works of others" in the provision of seminars and publications as part of its role as a clearing house of manage*ment information, but it also* undertakes a considerable number of surveys and special studies and during this year, for example, it has published works on "Achieving Computer Profitability" and "Selecting Managers" — and others in progress are "Share Incentive Schemes," "Managerial Mobility" (a detailed study undertaken in conjunction with the London Graduate School of Business Studies), "Intra-Company Pricing," "Executive Health" (undertaken in conjunction with the London School of Economics) and "Pension Schemes."

As regards the central register of management research projects which Mr. Cartwright suggests BIM should set up, the need here is in fact covered by the Social Science Research Council annual report 1970-71 and by the DEP Training Research Register which incidentally includes a considerable number of management subjects outside the training field.

H. Johannsen.
Manager, Surveys and Publications,
British Institute of Management.

Management House, Parker Street, W.C.2.

NRDC and merchant banks

Sir,—I should be grateful for the hospitality of your column to correct the unfortunate implication of your reference to *the publication of the* recent NRDC Annual Report (September 24, Page 19) under the headline "NRDC May Challenge Merchant Banks."

There is no change of policy so far as NRDC is concerned nor are we *contemplating* any a "challenge" to or "rivalry" with merchant banks. In fact for some considerable time we have been active in support of technological innovations in industry up to and including the initial marketing of new products and materials, sometimes in situations where the capital is provided on a tripartite basis by the firm, a merchant bank and NRDC in concert.

The conference to which reference was made in the article is one under consideration between the Financial Times and ourselves to set out the respective roles for all concerned in this particular area. The NRDC job, under its statutory terms of reference, is to fill gaps in support of inventions and innovations in the public interest, that is to supply requirements not adequately provided by conventional sources—but not to compete with them.

Basil Bard,
Managing Director,
National Research Development Corporation,

66-74, Victoria Street, London SW1 E6SL.

Events

To-day

JUNIOR CHAMBER OF COMMERCE FOR LONDON, public meeting and debate on Britain's entry into the Common Market, at the Institute of Bankers, 10 Lombard Street, E.C., 6.15 p.m. Admission free.

WINCOTT MEMORIAL LECTURE, to be delivered by Professor James Meade, Professor Emeritus of Political Economy, University of Cambridge, at the New Theatre, London School of Economics, W.C.2, 5 p.m.

COMPANY MEETINGS

ASSAM FRONTIER TEA, 19, Leadenhall Street, E.C., 12. (Chairman, Mr. R. K. Stringfellow.)

ASSOCIATED FOOD HOLDINGS, Charing Cross Hotel, W.C., 12.30. (Chairman, Mr. R. W. Young.)

EVA INDUSTRIES, Stockport, 2.30.

McKAY SECURITIES, 15, Parkside, S.W., 12. (Chairman, Mr. G. F. McKay.)

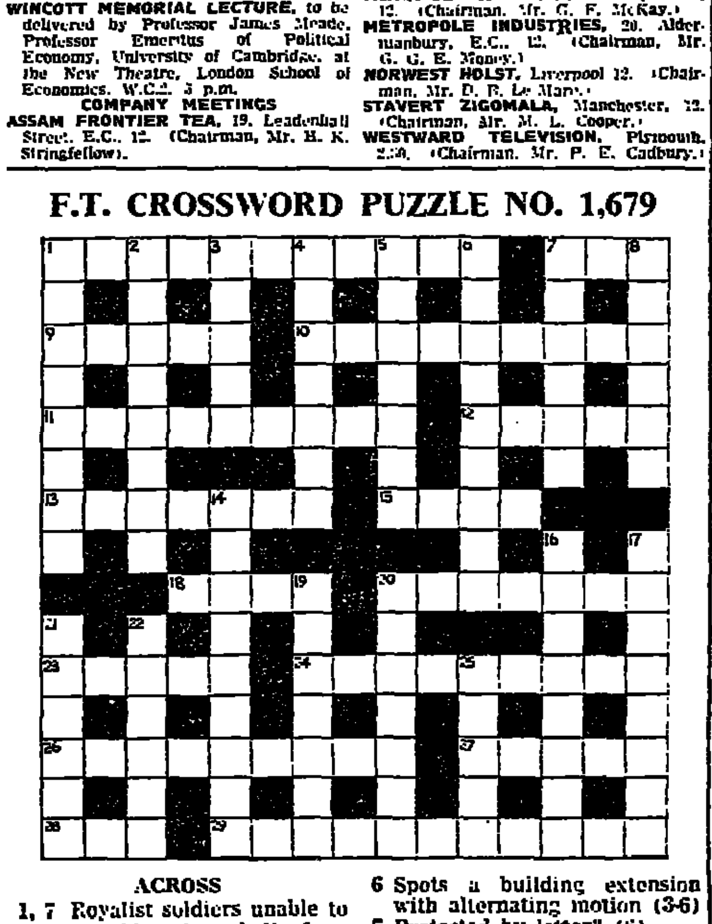
METROPOLE INDUSTRIES, 2, Aldermanbury, E.C., 12. (Chairman, Mr. G. E. R. Mann.)

NORWEST HOLST, Liverpool 12. (Chairman, Mr. F. R. Le Mare.)

STAVERT ZIGOMALA, Manchester, 12. (Chairman, Mr. M. L. Cooper.)

WESTWARD TELEVISION, Plymouth, 2.30. (Chairman, Mr. P. E. Cadbury.)

F.T. CROSSWORD PUZZLE NO. 1,679



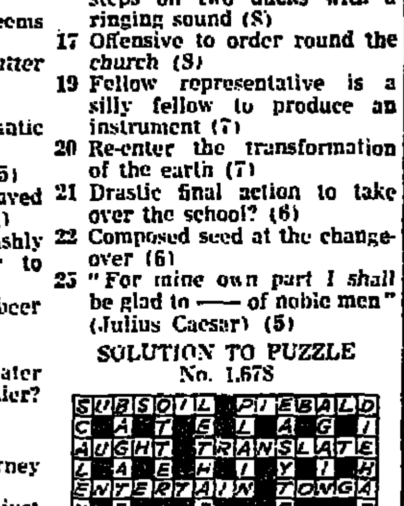
ACROSS

1, 7 Royalist soldiers unable to reassemble the shell fragments? (3, 3, 5, 3)
9 Pirate at croquet (5)
10 Insensitive direction to encounter for counting (9)
11 The boy and I in the lake might need it (9)
12 Skilled in a division (5)
13 Here the French lake seems cold (7)
15 Time to come back to utter (4)
16 Stuff back the liquor (4)
19 Fix firmly however gigantic it sounds to be (7)
23 Result of a late meal? (5)
24 Rules by which well-behaved people communicate (5, 4)
26 Does the girl talk foolishly about nothing in order to vanish? (9)
27 A soldier surrounded by beer appears to be fit (5)
28 Expire in the cube (3)
29 Agreement roughly later to-day—or 24 hours earlier? (11)

DOWN

1 Moots the idea of a journey over the terrace? (3-5)
2 It could cause more than just organ trouble (4-4)
3 Sharon loses direction and composure because of the early visitor (5)
4 Lights of the good-hearted lad (7)
5 There is not an explosive charge to point to the prospective candidate (7)
6 Spots a building extension with alternating motion (3-6)
7 Protected by letter? (6)
8 Imply that the north-eastern entrance does not exist (6)
14 Obtain the matter for printing which is a precise reproduction (5, 4)
16 Bending down, the good man steps on two ducks with a ringing sound (8)
17 Offensive to order round the church (8)
19 Follow representative is a silly fellow to produce an instrument (7)
20 Re-enter the transformation of the earth (7)
21 Drastic final action to take over the school? (6)
22 Confirmed seed at the change-over (6)
25 "For mine own part I shall be glad to — of noble men" (Julius Caesar) (5)

SOLUTION TO PUZZLE No. 1,678



TV/Radio

* Indicates programme in black and white

BBC 1

9.38 a.m. For Schools, colleges. 12.25 p.m. Nai Zindagi Naya Jeevan. *1.00 Tony ac Aloma.* *1.30 The Woodentops. 1.45 News. *2.05 For Schools, Colleges. 4.15 *Play School. 4.40 Jackanory.* 4.55 Tales of Tsar Sultan. 5.20 Screen Test. 5.44 Magic Roundabout.
5.50 News.
*6.00 Nationwide and Your Region To-night.
6.50 Tom and Jerry
7.00 Owen MD.
7.25 Star Trek.
8.10 Barlow at Large.
9.00 Nine O'Clock News.
9.20 Dave Allen at Large.
10.05 Double Vision.
10.35 24 Hours.
11.10 Anglers' Corner: Barbel.

All Regions as BBC-1, except at the following times:

WALES—*10.25-10.45 a.m. For Schools. *6.00-6.50 p.m. Wales To-day. *6.50-7.15 Heddiw. 7.15-7.20 Tom and Jerry. 7.20-7.40 Aneurin. *7.40-8.10 Arswyd Iwerddon. 10.05-10.35 European Cup Winners Cup Competition: Cardiff City v Dynamo Berlin.

SCOTLAND—*10.25-10.45 a.m. For Schools. *11.05-11.25 For Schools. *2.50-2.50 p.m. For Schools. *6.00-6.50 Reporting Scotland. *10.05-10.35 Sportsreel. *11.27 Scottish News Headlines.

NORTHERN IRELAND—*6.00-6.50 p.m. Scene Around Six. 11.27 Northern Ireland News Headlines.

ENGLAND — *6.00-6.50 p.m. Look North (from Leeds, Manchester, Newcastle); Midlands To-day (from Birmingham); Look East (from Norwich); Points West (from Bristol); South To-day (from Southampton); Spotlight South West (from Plymouth). *11.27 Regional News Headlines.

BBC 2

11.00 a.m. Play School
6.25-7.00 p.m. Open University: *Arts 32*
7.30 News
8.00 One in Ten: a singer and his songs—Ralph McTell
8.10 Man Alive
9.00 Spoiling in the Sun: Johnny Morris visits some of the islands in the Pacific Ocean, part 7: Oahu (Hawaiian Islands)
9.20 *The Search for the Nile*
10.20 All in a Day: part 6: The March—Orange Day parade, Belfast, July 12, 1971
10.50 News on 2
10.55 Late Night Line-Up

LONDON

10.20 a.m. and 1.40 p.m. Schools. 2.32 Racing from Newmarket. 3.40 Paulus. *3.55 Mad Movies. *4.25 Matinee. 4.55 The Sooty Show. 5.20 Ace of Wands.
5.50 News from ITN
6.00 Today
6.35 Crossroads
7.00 The Smith Family
7.30 Coronation Street
8.00 The Frankie Howerd Hour
9.00 Public Eye
10.00 News at Ten
10.30 Association Football
11.25 Wrestling
11.55 What The Papers Say
12.10 a.m. Why Do They Do It?: Barbara Blake talks to Ted Etherington about his work with the Richmond Fellowship which provides halfway houses for the emotionally disturbed.

All ITV Regions as London except at the following times:—

ANGLIA

[illegible]

ATV MIDLANDS

[illegible]

BORDER

2.55 p.m. Racing from Newmarket. *4.10 Border news headlines. 4.12 Women Today. 4.40 The Enchanted House. *6.00 Border news and Lookaround. 7.00 Jokers Wild. *11.55 Border news summary.

CHANNEL

2.40 p.m. States of Jersey Lottery. 3.55 Puffin's Birthday Greetings. [illegible] 4.20 Tea Break. [illegible] News. 6.10 Gourmet. [illegible] 11.55 Epilogue followed by news and weather in French.

GRAMPIAN

3.28 p.m. Grampian News Headlines. 3.30 Origami. 3.45 Mathematics. [illegible] 4.25 Yoga for Health. [illegible] 6.00 Grampian News. [illegible] Week. 7.00 Jokers Wild. [illegible] Prayers.

GRANADA

4.10 p.m. News followed by [illegible] Place. 4.40 Zingalong. [illegible] 6.15 This Is Your Right. [illegible] Bird's Eye View. 7.00 The Odd Couple.

HTV

*3.50 p.m. You and Your Child. [illegible] Entertainment. 4.30 Crossroads. [illegible] Report West. 6.15 Report Wales. [illegible] The Smith Family. 7.00 Jokers Wild.

SCOTTISH

3.45 p.m. Crossroads. [illegible] 6.00 Dateline [illegible] *6.30 Melody [illegible] Wild. 10.30 McQueen. [illegible] 11.30 Late Call. 11.35 Wrestling.

SOUTHERN

3.35 p.m. To-morrow's Horoscope. [illegible] Women To-day. 4.10 [illegible] Little Johnny Everything. [illegible] *6.00 Day by Day* [illegible] The Fishing Champions. [illegible] 11.55 Southern News Extra.

TYNE TEES

[illegible]

ULSTER

[illegible]

WESTWARD

[illegible]

YORKSHIRE

[illegible]

RADIO 1

[illegible]

RADIO 2

[illegible]

RADIO 3

[illegible]

RADIO 4

[illegible]

Racing

Fillies on parade

by DARE WIGAN

THERE ARE plenty of runners for the Cheveley Park Stakes (3.30) for two-year-old fillies run over six furlongs at Newmarket this afternoon, and, in contrast to last year, when *Magic Flute* was a short-priced, successful favourite, *betting will be open,* for at least 10 of the runners have some sort of a chance.

Noel Murless, the trainer of *Magic Flute*, is represented on this occasion by *Fresh Start*, a daughter of *Busted's* and this *filly, after shaping with promise* behind *Jakomima* at Newbury last month, was an impressive winner at the Doncaster St. Leger meeting. However, *Jakomima* has probably improved since Newbury, [illegible]

Newmarket
2.00—Falling Light
2.30—Julie Carolyn
3.00—Royal Captive ***
3.30—Suika
4.05—Coconut
4.35—Amplifier *
5.05—Exclaim

Pontefract
4.15—*Irish Eyes*
4.45—Royal Magic **

[illegible] observation that applies to [illegible]*tella*, a small filly by *Crepello* out of *Visp*, who won the Queen Mary's Stakes at Ascot a [illegible] years ago. However, I [illegible] inclined to think that the issue lies between *Waterloo*, winner of *this year's Queen Mary's Stakes* and the French pair, *Suika* and *Marisela*.

Since winning at *Ascot* in June, *Waterloo* has been beaten in the Prix Robert Papin at Maisons-Laffitte, and by *Rose Dubarry* in the Lowther Stakes at York, but the consensus of opinion—and I do not quarrel with it—is that *Rose Dubarry* is the fastest two-year-old to have been seen out this season. On her last appearance, at the Western meeting, *Waterloo* was too good for *Bold and Free* and *Desperate Dee*, who had finished a close third to *Wishing* [illegible] and *Philip of Spain* in the Gimcrack Stakes at York.

However, Suika finished [illegible] lengths ahead of *Waterloo* in the Prix Robert Papin; and *Marisela*, a filly by *Sheshoon*, out of a mare by *Grey Sovereign*, [illegible]

[illegible]

Wells Theatre

Paco [illegible]

CLEMEN[illegible]

[illegible]

Hampstead Theatre Club

Awake and Sing

by B. A. YOUNG

Curious that this fine play by Clifford Odets isn't done up and down the country all the time. I suppose it's had to wait until it became a period piece, for it is very specifically about the concerns of the mid-1930s, when America was climbing painfully out of the Depression.

The action concerns a Jewish family living in the Bronx, dominated by a mother, Bessie Berger, ruthlessly determined that the family shall achieve only the goals she decides are right for them. So her daughter Hennie, pregnant but unable (or unwilling) to name the man, is hustled into marriage with a handy respectable Jewish immigrant, Sam Feinschreiber, whom everyone despises. Her son Ralph is forbidden to see the girl he loves because she has no family and no money. Her own husband Myron is a good-natured failure whose activity is chiefly confined to washing-up. The family is completed by a successful dressmaker brother and an old grandfather with universally benevolent ideas derived from a sketchy reading of Marx; and for most of the play there is a lodger, Moe Axelrod, who lost a ɛg in the war but picks up a ɪseful living in rackets of one ɛind and another.

Odets does not despise a plot, ɪnd he has woven these characɛers into a gratifying story with ɪll the knots tied up at the end ɔut only a little feel of artifice ɔbout it. It's not the plot that ɪatters, however, so much as the ɪazor-edged social observation ɪnd comment arising from it.

He was a strongly left-wing ɜriter, and he saw clearly that economics is at the root of so many decisions that seem to be grounded in sentiment or tradition. The overt left-wing bias is slight by to-day's standards, being largely confined to a plea that people should stop being the slaves of their heritage and go out and make the world a better place for themselves and everyone else; it's because the political argument is kept in its proper place, in the ordering of people's lives, that it is ultimately so persuasive.

I found Vivian Matalon's production warm and exciting. He has cast it strongly. Patience Collier, in a dark wig, gives a memorable performance as Bessie, true in every gesture and inflection, her twisted sincerity clear above every cruel and deceitful action made, as she believes, in her family's interest. George Pravda is fine as the old grandfather, who has little left in life except his concern for the young and his Caruso records, and whose pathetic death provides the only hint of melodrama in the story. There are admirable performances, too, by Stuart Wilson as the unfortunate Ralph who ends on an up-beat note with his determination to "awake and sing"; Harold Kasket as Myron, William Marlow as Axelrod, Freddie Earlle as the successful brother Morty—indeed, by the whole company.

The warmth and humour of this lively Jewish dialogue, as richly sentimental as a chocolate éclair and interestingly tinctured with the sound of the 'thirties, "you said a mouthful," "the cat's whiskers," is a treat to hear. This is a revival as enjoyable as it is valuable.

Festival Hall

Janet Baker

by RONALD CRICHTON

Janet Baker gave Monday's ecital with Martin Isepp at arpsichord and piano, Kenneth eath providing cello continuo, n aid of the Central Tutorial chool for Young Musicians and f the Development Fund of orley College. Apart from her her gifts, Miss Baker's platform chnique is now consummate. o say this is not to be patronisg. Lieder singing needs, as ell as voice and musicianship, ting ability, even a gift for imicry.

The synthesis has been made Miss Baker at an earlier stage an many artists. To compare r entry and immediate plunge to the passion and wit of the pening Monteverdi group with er stillness before Schumann's rauenliebe und Leben was in self a lesson in interpretation. onteverdi's "Si dolce è il rmento," in a rich realisation Leppard, was a superb piece impassioned singing. Some th century English songs inuded Pelham Humfrey's devout Hymn to God the Father" and total contrast—"Ah! Cruel, oody Fate," funny words by athaniel Lee set to a tune in ircell's most irresistible vein. To pass from 17th century usic with its ardent declamaon straight to the lyrical heyday of romantic German song is not easy. Just occasionally the strain showed in Miss Baker's typically thoughtful and deeply felt *Frauenliebe*, not so much in the odd note or two that went thready as in the rather too determined way in which she seized on Schumann's departures from and returns to strict tempo—it could all be (and might have been, one felt, without what had gone before) a little simpler and calmer.

In a delightful Schubert ending with the mock-operatic recitative and aria "Epistel," the singer's art concealed a few more tired notes with a response that seemed anything but tired. Then Fauré, and to keep the large auditorium, as Miss Baker did, hanging on every syllable of three of the loveliest of his Verlaine settings, shows how completely she is mastering this composer's style. She ended with an early Fauré, "Fleur Jetée," in which Mr. Isepp, whose playing had been most attentive throughout, rained out clean octaves in *Erlkönig* profusion. Then, to prove that her voice was not really tired, Miss Baker sang as an encore Gounod's "Serenade," caressing the arpeggios which end each verse like a zephyr.

Sadler's Wells Theatre

Paco Peña

by CLEMENT CRISP

It always seems to me that ery Spanish troupe that aches these shores claims thenticity above all things—ich has produced a pretty odd age of Spain in my mind. But re, with Paco Peña's *Flamenco* iro which opened at the *Wells* Monday, really is a show that oks, sounds, *feels*, authentic. ie clue seems to be the simpliy of the presentation; *Peña*, prodigious guitarist, has quired a couple of singers, ree dancers and an auxiliary itarist—charmers all—and has ite happily given them their ads. Nothing seems forced; ere are none of those exuciating scenas that purport be a view of humble folk sporting themselves after the y's work is done; instead the tists sit on stage, and sing and nce and play with an unected and unpretentious air—ough with masses of comnsatory technique.

Peña himself must be supsed to be the star, but apart om three solo spots in which plays ravishingly, he joins the st of his companions as part pport, part inspiration. The ree dancers are admirably consted: Margarita is dark, imssioned; Elisa Prez Saponi is nde and elegant; Falquillo de rdoba is master of every perssive step; together they give a most persuasive account of the essence of Flamenco dancing. Barrilito and El Sordera set their voices curling in Moorish arabesques round their songs, and everyone joins in with clapping and cheery *olés*.

Of course, for anyone but the most besotted aficionado, matters do go on a bit long—I sometimes think that there is no such thing as a short Spanish number—but the atmosphere engendered by the evening is of whole-hearted involvement. The interplay between the artists, the directness and intensity of their improvisations, are a welcome change from the usual run of over-contrived Flamenco display. As Paco Peña observed in a brief and very engaging speech, Flamenco is a lament, a cry, and this performance offers a most satisfying view of its best qualities.

Ballet for All

Peter Brinson, director of Ballet for All, has been appointed director of the Calouste Gulbenkian Foundation from January 1, 1972.

Alexander Grant is appointed co-director of Ballet for All and will assume responsibility also on January 1, 1972. He will divide his time, as Mr. Brinson has done, between London and the company on tour. In London he will continue to dance at the Royal Opera House. Mr. Brinson will remain adviser to Ballet for All and continue to create its programmes.

Ballet for All's autumn tour begins on Friday and an announcement of its repertory and plans for the whole season ending in July, 1972, will be made shortly.

'Hamlet' closes

Hamlet, starring Ian McKellen, which is currently playing at the Cambridge Theatre for a limited season, will close on October 2. It will be followed by John Osborne's play, *West of Suez*, with Ralph Richardson, Jill Bennett and the cast from the Royal Court.

Shiraz Festival—4

Persian theatre

by ANDREW PORTER

There are at least four types of traditional Persian theatre to interest the western visitor; the *ta'azieh* (or mystery play), the *ruhozi* (or popular *commedia dell'arte* type of entertainment), the *zukharneh* (or ritual gymnastics), and the tea-house storyteller. In addition, there is a flourishing contemporary theatre in Iran, and one of its ablest practitioners, Parvis Sayyad, is active in all branches. Last year he was a memorable Didi in Becket's *Godot;* he produced the *ta'azieh;* and from the storyteller's technique he devised *Falgush*, a delightful (if, to Iranian tastes, over-sophisticated) tea-house entertainment.

This year the caravanserai of the Shiraz bazaar has been restored and here, while eating delicious foods and sipping tea, the festival visitor can hear the tale of, say, Sohrab and Rustam declaimed, chanted and gestured out in traditional style, with musical interludes from a small boy of marvellously keen, carrying tones. Shiraz also has a beautiful old *Zukharneh* hall, where sometimes the ritual exercises (enacted to a chant from the *Book of Kings*) are performed; but it is hard to find the place, harder still to find out when to go. *Ta'azieh* and *ruhozi* are more accessible, though inevitably, within a festival frame, each loses something of its popular character: the old problem of presenting a traditional art which depends partly on its regular audience to an uncharacteristic audience at once exotic and élite.

The *ta'azieh* is simultaneously popular drama and religious observance. The word means *mourning;* properly *ta'azieh* should be performed during the ten days from the first of Moharram, the official Shi'ite mourning period for the massacre of the Imam Hussain, Mahomed's grandson, by the Caliph Yazid in 680 AD. The plays, mainly savage swift and poetic, deal with the murder of the Imam and his family, and its consequences. They are probably of no great antiquity; the first literary reference is in Franklin's *Journey:* he saw a *ta'azieh* in Shiraz in 1787. In 1879 Colonel Sir Lewis Pelly published a collection of the plays in English translation. The form reached its peak in the 19th century under Nasser-ed-Din Shah. After the 1914-18 war *ta'azieh* was forbidden. For one thing, it involved too much violence; for another, it offended the Turks, who are Sunnis, not Shi'ites, and were on the Caliph's side during those religious wars of the 7th century. Only recently, and in spite of opposition from the clergy (who still frown upon representation on the stage, as in the graphic arts), has it come back. Enthusiasts for the old drama were last year delighted that the Empress attended a *ta'azieh* during the Shiraz Festival.

Peter Brook, who has seen proper *ta'azieh* in a village, cites it as the ideal theatrical experience in which the "circle" of stage and spectators is complete. Pelly declared that if audience-reaction were the criterion, then *ta'azieh* was the most important form of drama in the world. In the old days actors and audience alike would weep and howl, and gash themselves with knives; players of wicked roles would scourge themselves with chains for the wrong that they were doing to the Saint. Only three years ago, it seems, a *ta'azieh player* was killed in Khazvin, while vainly protesting to the infuriated crowd that he was not *really* the murderer of their Prophet, but only a shopkeeper from round the corner. The players are amateurs: at Shiraz a textile-worker from Isfahan, a taxi-driver, a samovar-maker. The bands came from various villages. Parvis Sayyad travels the country, choosing his cast, "producing" as lightly as possible. Of course in front of a festival audience it is not "the real thing." (Nor is *Noh* in a Tokyo theatre, roofed and electrically lit; or *kathakali* under the arc lights, or *gagaku* in the Albert Hall.) A few old people wept as in shill, plangent voices the boys sang of the Saint's martyrdom; but there was none of that violent involvement—no one gashed himself, no one was murdered—which is regularly adduced as a feature of the form.

The Countess and Susanna in the "ruhozi" presentation of "Figaro"

The technique of *ta'azieh* is oddly modern: instantaneous scene-change, foreshortened time (a messenger can be sent afar, and answer the order which sends him with a reply to the message), and ESP antiphonies between, say, Muslim and a muezzin in a distant minaret. This year's choice of play was, essentially, a comedy, *Mokhtar's Revenge*, and rather less impressive and moving than the tragedy, *Muslim's Martyrdom*, which Sayyad presented last year. There was a new setting for it, the Hussainieh Moshir, or Hussain Mourning-Hall, of Shiraz, a courtyard or two-tiered cloister, canvas-roofed for the occasion, hung with the banners and black of mourning, with a circular stage in the centre. The upper bays of the cloister were filled with instrumentalists: *karna* (*the long* wooden trumpets, crooked with ram's horns, which Brook borrowed for the *Dream*), drums of many kinds, the strident *sorna* or jumbo-sized metal oboe.

The place, suggestive of an Elizabethan inn-yard setting, was exciting. It rang when all the musics were playing. It packed the spectators in one tight-focused body around the stage. On the other hand there was no room for the three bands to enter in Ivesian procession, no caparisoned camel, nor the vigorous cavalry battle (something one never thought to see outside the movies) which was a highlight of last year's *ta'azieh* in the otherwise far less suitable stadium theatre.

The play concerns Mokhtar's revenge on the five murderers of Hussain. In various entertaining ways they try to elude discovery. One pretends to be a Christian, in top-hat and frock-coat, answering all questions sung at him (in *ta'azieh* the good people sing, the bad ones declaim) with a mumbo-jumbo chant, another feigns madness, a third dresses as a woman. Our hero Ebrahim Malek pierces their disguises, and at the end in a high-spirited tableau they are boiled, sawn, stoned or strapped to death. It was lively; yet I still feel that if the festival wants its visitors to experience *ta'azieh* at strength it must be played for, and to, the people, in a street or square.

An unsuitable setting also took the edge off *ruhozi*, represented by the Hafiz-Now troupe from the red-light district of South Tehran. They were installed in, of all places, a refrigerated university theatre (the only event in the whole festival where I sat on a conventional theatre-seat; and the one least suited to it), inhibiting of the by-play between players and audience which is a feature of *ruhozi*. They should have had a garden (*ruhozi* implies the Persian garden-pool, planked over for the occasion), or a park, or perhaps the shed that the *Alice* company had found.

And they should have been placed at the centre of the festival, not sent to the fringe. Iranians tend to under-rate the interest which their traditional theatre holds for the westerner. I must declare a special interest. I asked the manager whether his company worked, in the first instance, from Goldoni-type *commedia dell'arte* scenarios. No, he said, someone just told them a story; I could tell them a story if I wished, and an hour later they would put it on as a play. So I recast *Le Mariage de Figaro in three scenes,* and told it to them (via an interpreter) after their evening show. At midnight in the lobby of the smart new Hotel Cyrus the troupe played a recognisable and lively *Figaro*, retitled *The Capricious Haji Agha*, "a play by the famous English writer Andrew Porter after the famous French writer Beaumarchais." No author could have hoped for a more successful première: a laugh a line through most of the impromptu dialogue, especially as delivered by the star of the company, Sa'adi Afshar, the Harlequin who here played Figaro. The Count acquired a brother, and brought a comic locksmith to force the door of Act 2, so that all the troupe should have parts; the finale was a wedding dance and song, with *solos for everybody*.

★

But the company's own *Mir Damad* was even better: an irreverent but sometimes touchingly romantic play about life and love at the court of Shah Abbas and in the Isfahan Theological College. (After a *Taming of the Shrew* sequence, we break into a remarkable serious monologue for a hero torn between lust and sanctity.) This *ruhozi* company has difficulties: clerical disapproval (constant for three centuries or more); the rival lure of cabaret and cinema, both for the audiences and for the more talented actors; and the difficulty, said the manager, of finding leading ladies with sufficient strength, beauty and ability in acting, singing and dancing (his current lead is a girl of rare charm and beauty). The actors are stage-struck workers, trained by the older members of the troupe.

At the Shiraz Festival the Hafiz-Now company also played a Command Performance for the Empress (and were suitably embarrassed when she asked them where their home theatre was situated). They should be cherished. This direct, natural spontaneous *commedia dell'arte* playing is something that the west has lost. In different ways Jérome Savary, and Brook in his village improvisations with the Research group, are working towards it again; *in Iran it* exists, but it is threatened.

Television

Familiar faces

by T. C. WORSLEY

Both ITV and BBC have been puffing their new autumn offerings and I have been sampling some of them from Monday's *Quizz Ball* on BBC to Sunday's *Please Sir* from London Weekend. As these two samples show, the majority of the new season's *products are not new* ventures: rather they are the lifting of the summer's dustsheets off established favourites to reveal the same old Barlow and Stead, the same old Roger Moore and John Alderton, Harry Secombe and Reg Varney, all the familiar faces in all the familiar places.

What can one say at this date of old warhorses like *The Trouble Shooters* and Barlow? Only, I suppose, that if one were the head of BBC series one would be rather ashamed of not having come up with one fresh idea in a whole decade. But that said, they both remain extremely efficient, are very carefully cast, and are carried along on the backs, nowadays, of the authors, who can still contrive sufficiently *interesting stories for them*. The main characters, even the divine Barlow himself, have become formulas: narrative alone powers them. Both have started out this term with three-part stories, too grandiloquently called trilogies, and the sense of space that this gives enables the writers (John Elliot and Elwyn Jones respectively) to stalk their subject invitingly and linger over atmosphere-creating detail.

The Trouble Shooters has always boasted that it was up with (if not a step ahead of) the actual news and so appropriately its real current subject is the Common Market. Shall the vast oil deposits discovered off Norway be piped back to the U.K. to make her independent or should they take the easier, shorter route to Norway to nourish the whole of Europe? If only besides its strong narrative line this one had the pungent dialogue of *The Power Game* and any one personality as individually flavoured as the late Patrick Wymark, it would be excellent instead of merely efficient.

Stratford John's Barlow certainly has had the flavour, and the sheer virtuosity of his characterisation is still a constant pleasure, his downright incurruptibility making a good contrast with the more volatile, devious and deviant Celts on the Welsh border. But is there a hint perhaps of human error going to creep in presently? What a relief that would be!

But when all's said these two remain for me the most enjoyable of the drama series now on offer. Compare, for instance, their comparative sophistication with the total lack of that quality in the new version of *The Saint*, which, with Tony Curtis joining Roger Moore, is disguised under the title *The Persuaders*. £80,000 I have seen stated as the sum each single episode of this series is costing and if I had paid that sum and my writers came up with anything so childishly unconvincing as these stories I should want to know why. It isn't as if the Americans to whom this piece of flummery is primarily addressed don't appreciate a neat and well contrived plot. *Mission Impossible* and dear concerned old *Ironside* show week by week that they do. Will they really swallow this poor pap?

Will the English audience? Well, ATV boast that they know better than anyone what "they" like, whoever "they" may be. And what ATV evidently presumes they like is the pseudo-sophistication of fast cars, the Riviera setting and a real live English lord. That is about all they are given, that and the punch-ups. The mode is the comedy-thriller, that most bastard of forms which in my experience commonly falls clear between two stools and provides neither real comedy nor real thrills. But I admit it is—or rather was back in the Thirties—a popular form. But how splendid it would be if only *The Persuaders failed* to make the charts after the first taste! Vain hope! Whether it is really what "they" want or not, it is what they are given.

Perhaps it would be fairer to leave the comedians and the situation comedies until they have had a little more time to play themselves in. First impressions suggest that we are stronger in narrative writers than comic ones. Harry Secombe's writers certainly have a very simple idea of what is funny (while I didn't know whether to laugh or cry in his opening show at the spectacle of a talented straight actor croaking ballads into the microphone). I could catch only the tail ends of Morecambe and Wise but this suggested that they at least were still up to standard.

Now Take My Wife, the revamping of a Comedy Playhouse item on BBC 1 showed a plentiful lack of invention on the all-too-familiar scatty head of a family theme, which is dominating situation comedy at the moment (c.f. *Bachelor Father* and *Father Dear Father*), and led to much mugging and over-acting; while *Please Sir* without the children puts a heavy strain on what was always the weakest and cheapest part of the show, a common room staffed entirely by quarrelling zombies. I prefer its spin-off, *The Fenn Street Gang*, where the kids all seem lucky enough to have found jobs and their performance of these may give a spine to the series.

But so far, in spite of the boasting by both services, the new autumn *season on the entertainment* front has the rather weary look of *déjà vu*.

On the more serious side I have noticed two new BBC programmes *Double Vision* (10.5, Wednesday, BBC 1) and *The Search for the Nile* (9.20 Wednesday BBC 2): and it is an absurd piece of planning that you cannot see all of both. *The Search for the Nile* is much the more ambitious: it is coming to us in six one-hour parts: with a narration spoken by James Mason and shot, much of it, on location in Africa in association with Time/Life Films. It is a film in another bastard form, the "dramatised documentary," which means acted sequences between chunks of original material in the commentary. So far the result is, in my view, quite disastrous. To place side by side material written by a writer so good as Sir Richard Burton with acted insets written by Derek Marlowe and Michael Hastings is asking too much of the dramatisers. Nor, to be frank, did I find the production anything like up to scratch.

To match the contemporary writing, cating and production would have to be on the very highest level of BBC 2's classic series. It is not, to judge by the first episode, which didn't rise above B film standards. But I suspect that it is the form that is at fault as much as anything.

Michael Gough as Dr. Livingstone in "The Search for the Nile" on BBC-2

Whatever it was, I was never convinced that the search for the source of the Nile was a really burning issue worth six consecutive hours of our time.

The more modest *Double Vision* was a much more promising idea. Take a spokesman for each side of a hotly contested idealogical issue and give each the resources to make a film to illustrate his thesis and then lay them side by side. The first, in which the protagonists were a dock manager at Hull and a Shop Steward was most illuminating. The gulf that divided them seemed quite unbridgeable, the shop steward only wanting some form of workers' control, the manager trying (vainly) to persuade the dockers to make the present system work.

In the second of the series—a professor at Manchester University versus a moderately militant student—the central weakness of the idea was rather badly shown up. The fact is that television is not a good medium for projecting ideas. How can a documentary reinforce the idea of worker's control or, indeed, of student participation (though fiction can, and has, had a shot at it)? The fascination of the debate in each case had obscured the fact that the films as such were really not contributory. What we were doing in each case was simply listening to impassioned arguments. But the debate in each film was worth attending to and each side might, if they really wished to (and this I'm afraid is in doubt) have learned much from the other.

Farming and Raw Materials

Copper cathodes sink below £400 a ton

BY JOHN EDWARDS

COPPER was traded on the London Metal Exchange yesterday at below £400 a ton for the first time since October, 1967. Cash cathodes closed £8.25 down on the day at £396.5 a ton, while cash wirebars also fell to a new post devaluation low of £409.25 a ton, £7 down on the day. Tin and lead prices also fell to new lows for the year.

The decline in the copper market came despite reports of some continued consumer demand from the Continent and *China, which proved too slight* however to offset some heavy selling by speculators, especially chartists, that accelerated once prices broke through the lows of the year.

Huge stocks

Overshadowing any revival in consumer demand are the huge stocks in the LME warehouses overhanging the market and the uncertainty about the future, including exchange rates, that has reduced trading to a low ebb and delayed any recovery in industrial activity.

In contrast, production is now starting to pick up again with the final settlements in the U.S. copper workers strike this week, and Chilean output returning to more normal conditions after the nationalisation upsets earlier this year.

It is noticeable that, so far, despite the steady decline in copper prices, there have been no deliberate cuts in output, possibly because of the troubles in Chile and the U.S. strikes reducing production.

The possibility of any action by the Council of Copper Exporting Countries (Cipec) is being discounted, partly because of differences between the member countries and the fact that Chile and Zambia, for example, are reluctant to take any measures to reduce their copper earnings which form a large proportion of their total exports.

But the point must be close when market values are below the cost of production in some cases, especially in the U.S. where producers face huge extra wage bills and the cost of anti-pollution measures.

In the absence of any consumer buying demand the market is very vulnerable to "short" selling *by speculators. For the* moment, at least, speculators feel there is more scope in gambling that prices will go lower rather than higher, since there is little buying strength to arrest the decline.

Huge surplus stocks, lack of consumer demand and bearish sentiment are also the basic causes of the sharp fall in the price of lead, but the lack of support buying by producers has obviously accelerated the recent steep decline.

Yesterday cash lead lost a further £2.625 to close at £90.25 a metric ton, a loss of nearly £8 in the last four trading days. Cash lead is now down to the lowest level since devaluation of sterling in November, 1967.

The decline in tin values to the *lowest level since April, 1969*, has been slowed by the possibility all the time of the buffer stock of the International Tin Agreement intervening to stop the market slipping lower.

So far the buffer stock manager has not made it plain that he is buying, but that does not necessarily mean he has not been active. Under the new agreement he is entitled at present *prices to operate—that is both* buy and sell—and he could well have been buying cash and selling forward in an effort to husband his resources.

The buffer stock started the new Agreement with funds equal to 7,500 tons of tin only, of which a fair proportion was spent in buying up nearly 2,700 tons left over from the Third Agreement at the current market price.

An added complication at present for the buffer stock is the variations in exchange rates between member countries.

In the circumstances it is not surprising that the buffer stock seems to have set its defence limit rather lower than the £1,435 a ton point defended in February, especially as consumer demand for tin remains poor.

To add to the metal markets' gloom yesterday, silver values fell back again yesterday too, with the bullion market's three months quotation of 56.7p an ounce, 0.5p down on the day, at a new low for the year.

Israeli citrus forecast

By Our Own Correspondent

TEL AVIV, Sept. 28.

THE 1971-72 Israeli citrus export season started this week with the shipment of 44.000 containers of early grapefruit to Antwerp and of 60.000 containers to the U.K.

Total Israeli exports of citrus of all kinds are forecast at over 50m. containers this season, 1m. more than last season.

A *much* sharper increase is foreseen in exports from Gaza strip groves which are expected to rise from 163.000 tons last season to 200.000 tons during the coming year. About half of this quantity is to go to West European markets through Israeli Citrus Marketing Board channels.

Half of the remainder is earmarked for Eastern Europe *where Gaza exporters have* long established contacts. The other half is to be shipped across the river to Jordan.

New film from farm feed company

PAULS AND WHITES, the Ipswich-based animal feed company, has produced a new 36-minute colour film "These Changing Times" which links the developments that have taken place in British agriculture in the last 100 years or so and the changes that are taking place and might take place in the future, with the development of the company from its origins as two separate companies in Ipswich and Ulster. It is available for showing at farmers' meetings.

Mr. John Clayton, the company's managing director, said at the film's first showing that although Pauls and Whites was not in the top three of the animal feed manufacturers in terms of size, it tried to try harder. It *was*, he said, small enough to care, and large enough to do something about it. It aimed this year to do £40m. of business with the British farmer—to buy some £15m. of his grain, and sell him some £25m. worth of products and services. "Our prosperity is linked very directly to his," he said.

He announced that Mr. George Paul had been appointed managing *director-elect and would be* taking over this very important responsibility early next year.

Sales aid for egg farmers

BY OUR COMMODITIES STAFF

AN UNUSUAL publicity campaign *to help small and medium* size poultry farmers to sell their eggs is being launched on October 1 by Crosfields and Calthrop, the animal feedingstuffs and poultry products group.

The idea is that egg producers, buying Crosfields products, will be provided with free publicity material introducing a new brand name to the egg market—"Felicity Fresh"—backed by a series of promotions.

The first promotion is the offer of three Mobo toys available to buyers of Felicity Fresh eggs at a special cheap price.

All the arrangements and publicity material has been prepared by Crosfields, but the distribution relies very much on the reaction of the egg producers *selling either direct at the farm* gate or through vans and retail shops.

Crosfields emphasise they are not setting out to establish a successor to the Little Lion brand name promoted by the Egg Marketing Board; Felicity Fresh would be merely an additional aid to producers concentrating on the advantages of buying from local farmers.

It is estimated that eggs direct from the farms—that is those *that do not go through a packing* station—account for over 46 per cent. of total eggs sold in the U.K. compared with only 24 per cent. in 1959.

But since the introduction of a "free" market with the demise of the Egg Marketing Board in March competition and financial pressures have become so great that small and medium sized *poultry farmers have been going* out of business at the rate of 200 a week in the last 12 months.

Upsurge in U.S. wheat exports

NEW YORK, Sept. 28.

U.S. WHEAT exports rose sharply last week to total 17.8m. bushels, compared with 8.4m. a week earlier and 13.7m. a year earlier.

The sharp rise was attributed to the threat of the dock strike starting in October that would affect the U.S. Atlantic and Gulf of Mexico coast ports U.S. wheat exports since the start of the season, July 1, total 139.4m. bushels, down from 158.6m. a year earlier.

U.S. maize exports totalled 15.4m. *bushels last week*, down from 18.6m. a week earlier, but up from 11.9m. a year earlier. Corn exports since the start of the current season total 465.4m., down from 561.8m. a year ago.

Soyabean exports declined last week to 6.1m. bushels from 7.5m. a week earlier and 6.3m. the year before. Soyabean exports since the start of the season have declined to 21.3m. bushels from 23.4m. a year earlier.—AP-DJ.

U.K. warns Iceland on fish row

By Our Commodities Staff

BRITAIN has told Iceland there is no basis in international law for the extension of the Icelandic fishery limits from their present 12 miles to 50 miles.

In a message delivered to the Iceland Government in Reykjavik, Britain says she reserves her rights under the 1961 agreement between the two countries. These include the option to refer disputes to the International Court of Justice.

Iceland has told the British Government that it intends to extend its limits from 12 to 50 miles from September next year. On the question of arbitration by the international court, Iceland said this provision did not operate.

Having made Britain's position clear, the U.K. Government says it is prepared, without prejudice, *to enter exploratory discussions* with Iceland, but no time or place has been arranged.

Caribbean confident on sugar promise

By Our Own Correspondent

PORT OF SPAIN, Sept. 28.

SIR Harold Robinson, President of the Trinidad and Tobago Agriculture Society and Chairman of the Sugar Industry Control Board has said he believes the British Government will keep its promise to try and safeguard the interests of West Indian and Commonwealth sugar *if Britain's EEC entry succeeds.*

Sir Harold's statement came in support of one made in Jamaica by the Island's Minister of Trade and Industry Mr. Robert Lightbourne.

Two British MPs, Mr. Richard Body, Conservative, and Mr. Alfred Morris, Labour, had expressed their doubts while visiting Jamaica about sugar's *future within an enlarged EEC.*

Mr. Lightbourne had swiftly replied that he had had "many negotiations with the British Government and I have never found it not living up to its undertakings.

Indonesia to stop sugar imports

DJAKARTA, Sept. 28.

INDONESIA will stop importing sugar from next year, the KNI news agency said to-day.

The agency quoted head of the National Logistics Board, Lieutenant-General Achmad Tirtosudiro, saying in Manada, North Celebes, that the Government will only use local sugar from next year.

Indonesia at present imports around 70,000 tons of sugar annually.

Tea export quotas fixed

GENEVA, Sept. 28.

TEA export quotas totalling 727,600 metric tons for the period from January 1, 1971 to March 31, 1972, have been agreed to by the main tea exporting countries, it was learned here. The figure compares with the global quota of 594,800 tons fixed for the 1970 calendar year. On a monthly *basis the new quotas are lower* at 48,507 tons against 49,566 tons previously.

Double setback for Indian jute export drive

BY OUR OWN CORRESPONDENT

CALCUTTA, Sept. [illegible]

THE Indian jute industry's drive to increase exports has received a double setback. First, the industry has been suffering serious production losses because of continuing electricity cuts. During September the production loss was heaviest of any month this year.

Secondly, sudden shipment difficulties have arisen in Calcutta port due to a bargemen's go-slow. Bargemen ferry goods from the mills to vessels berthed at the port and they now threaten to stop work altogether *if wage increase demands are* not met immediately.

Serious

The movement difficulty has been worrying exporters so seriously that the Calcutta Jute Fabrics Shippers Association, while urging all concerned to settle the bargemen's dispute immediately, has pointed out nearly 100,000 metric tons or roughly 15 per cent. of a normal year's exports have been held up at various points of shipment, including those afloat on barges.

A prolonged go-slow or total strike would do worse damage to export prospects. As it is, mill production of jute goods was down *during August* at 88,200 tons compared with 99,200 tons in July.

But stocks at over 100,000 tons were 8,800 tons higher than July's. This was because of suspension of gunny imports by an Argentine major jute goods buyer due to currency uncertainties.

Meanwhile, the Jute Marketing Corporation's official agency came into being last Saturday. It has been created to stabilise raw jute prices through purchases at officially prescribed support prices and the management of a buffer stock.

The prescribed prices have been raised 6½ per cent. for the current season over the previous level.

Inaugurating the corporation, India's Foreign Trade Minister Mr. L. N. Mishra gave warning that should jute growers [illegible] get the support price despite the corporation's operations the Government would declare raw jute "a controlled commodity" meaning that mills would [illegible] able to buy fibre only at prices fixed by the Government.

Bumper crop

Despite damage done [illegible] floods and recent rains the Indian jute crop this year promises to be a bumper one at least 7m. bales by Conservative estimate. This together with an unchecked flow of jute from East Bengal should leave a sizable surplus over India's requirements.

The Calcutta Baled Jute Association, which estimates the surplus at least ½m. bales suggests the Government should allow fibre to be exported to foreign jute consuming countries, excluding Russia which is getting 100,000 bales annually under existing bilateral trade arrangements.

Spanish bid to offset effect of the poor wine harvest

BY OUR OWN CORRESPONDENT

MADRID, Sept. 28.

THE Government - controlled wine committee has received official instructions to sell part of its stock kept in store after the surplus crops in recent years.

The measure, it was said, is designed to avoid price increases on the *domestic market* and guarantee an adequate supply of wine in regions where mildew and adverse weather have caused severe damage in vineyards.

A Ministry of Commerce spokesman said the release of wine stock held by the wine committee must also be seen as an effort to maintain exports of wine to foreign markets and that, in any case, Spanish wine exports to the U.K. will be only marginally affected.

According to the Ministry of Agriculture, the vineyards have suffered over Pts.2,000m. (£12m.) worth of damages, but local experts believe the losses may be even worse. A Spanish Fruit Syndicate spokesman said this year's Spanish wine harvest will almost certainly be the lowest in the past decade, hardly more than 22m. hectolitres as against 25m. hectolitres in 1970 and 24.5m. hectolitres in 1969.

The production of Rioja-Navarra good quality table wines with a large export potential, will be down about 60 per cent on last year's production, 555,000 hectolitres.

The Sherry wine region [illegible] Southern Spain has apparently suffered little damage, but wine growers in the Leon-Aragon regions (N. Spain) report up to 50 per cent. losses followed by about 20 per cent. loss in some of the wine growing areas on the Spanish Levante coast.

Recent heavy gales and floods have also caused severe damage in the Catalan region (N. Spain). Wine prices have edged upwards in recent weeks and local traders say that more price increases are to be expected so[illegible]

Trials of tackling mildew in barley

BY OUR COMMODITIES EDITOR

ICI is to recommend a more selective approach in the use of its new systematic fungicide "Milstem" on winter barley, as a result of its trials experience over the past year.

The new set of recommendations reflect what ICI at first viewed as a mysterious outcome to the past year's trials. Although a bad year for mildew attack, the 1970-71 trials, overall, recorded only a 7 per cent. difference in yield between crops treated with "Milstem," and untreated crops. However, on closer analysis, it was discovered *that where untreated crops* yielded below 35 cwt an acre, then there was up to a 15 per cent. better response in treated crops sown in the autumn.

Mildew and bad weather will thin out a winter barley crop, but last winter's mild weather did not decimate tiller numbers; tillers being the shoots of the plant springing out from the base of the original stalk.

Barrier

The result was that even untreated crops in the trials were sometimes well above the 135 tillers per yard row for crops drilled on a seven inch *spacing, which ICI calculates is* the optimum tiller number for maximum yield. It corresponds broadly to 35 cwt an acre. Above this crop "thickness," the response of winter barley to "Milstem" treatment against mildew, is not so marked, the trials showed.

ICI has therefore suggested the existence of a "tiller barrier" and as a result of lessons learned, it has formulated a new set of criteria for using its systemic fungicide.

Seed dressing, it says, will benefit all winter barley drilled in the early autumn. [illegible] majority of these crops [illegible] suffer a low spring attack of mildew and "spring spraying is not a realistic alternative treatment."

COMMODITY MARKET REPORTS AND PRICES

BASE METALS

COPPER—Down again on the London Metal Exchange with prices closing at their lowest levels since October, 1967. After a steady opening values declined owing to renewed stop-loss and chartist selling which overshadowed Chinese and West German physical interest. Forward metal closed at around £414½ on the late Curb. Turnover 12,450 metric tons.

Henry Gardner and Co. reported that in the morning, cash wirebars traded at £410.5, £410, early-Oct. £411, mid-Oct. £413, mid-Dec. £421, three months £424 to 18, 18.5, 19. Kerb: cash £410, early-Oct. £410.5, mid-Oct. £412, mid-Dec. £417, three months £418.5, £418. Cathodes: three months £408. Afternoon: Wirebars: cash £410, £409, late-Sept. £410, early-Oct. £411, £410.5, mid-Oct. £411, three months £418.5 to 17. Kerb: Wirebars: mid-Oct. £411, mid-Dec. £414, three months £416 to 14.5. Cathodes: cash £400, £398, three months £406, 405, 405.5. Kerb: late-Sept. £397, late-Oct. £400, three months £405 404.5.

COPPER	a.m. Official	+ or −	p.m. Unofficial	+ or −†
	£	£	£	£
Wirebars				
Cash	410.5-1	−8	409-.5	−7
3 months	418.5-9.5	−6.75	417-.5	−6.5
Settlem't	411	−8	—	......
Cathodes				
Cash	399-401	−6.75	396-7	−8.25
3 months	408-9	−6.25	405-.5	−7.25
Settlem't	401	−8	—	......
U.S.Smt.	—	......	52.75-63	......

TIN—Turned easier. Hedge selling *coupled with the overnight fall in Penang* depressed values. Buying of cash metal during the afternoon was again attributed to anticipation of renewed buffer stock support. Turnover, 470 tons.

Morning: cash £1,409, mid-Dec. £1,420, three months £1,421, 20 19. Kerb: three months £1,419. Kerb: early-Dec. £1,418. Afternoon: cash £1,407, three months £1,419.

TIN	a.m. Official	+ or −	p.m. Unofficial	+ or −†
	£	£	£	£
Cash	1407-8	−1	1406-7	−4.5
3 months	1419-20	−1	1418-9	−4
S'ment	1408	−1	—	......
Straits E.	1442.77	−1.15	—	......
New York	—	......	166.37	......

LEAD—Lost further ground. A continuation of Monday's general selling caused a renewed setback in prices, although values closed marginally above the day's lowest levels. Turnover, 2,625 tons.

Morning: cash £90.25, late-Sept. £91.5, three months £94.5, 94.75 to 93.5. Kerb: three months £93. Afternoon: late-Sept. £90, three months £93.25 93. Kerb: three months £93.25, 93.5 93.

LEAD	a.m. Official	+ or −	p.m. Unofficial	+ or −†
	£	£	£	£
Cash	89.75-95	−2.25	90-.5	−2.625
3 months	92.25-.75	−3.625	92.75-3.25	−2.75
S'ment	90	−3.25	—	......
N.Y. Spot	—	......	*14-14½	......

ZINC—Little changed on balance. In line with the trend in other metals, prices were initially easier. At the lower levels, however, modest buying found sellers more reserved and a small rally was seen. Turnover [illegible]

[illegible]

ZINC	a.m. Official	+ or −	p.m. Unofficial	+ or −†
Cash	119.5-.75	[illegible]	120.25-.75	[illegible]
3 months	122.75-.5	[illegible]	123.5-.75	[illegible]
Prim. West	119.75	[illegible]	—	......
U.S. Prime	—	......	17.00	......

* Cents per lb. † On previous unofficial close.

SILVER

Silver was fixed 0.5p an ounce lower [illegible] in the London bullion market, [illegible]

SILVER per troy oz.	Bullion fixing price	+ or −	LME p.m. Unoffic'l	+ or −
Spot	55.9p	−0.5	55.75p	−0.55
3 months	56.7p	−0.5	56.85p	−0.45
6 months	57.6p	−0.6	—	......
7 months	—	......	58.3p	−0.1
12 months	59.6p	−0.5	—	......

LME—Turnover [illegible] lots of 10,000 ozs. Morning: Three months 56.9p, 56.8p, 56.9p. Kerb: three months [illegible] Afternoon: Cash [illegible] three months [illegible] Kerb: three months [illegible]

COFFEE

Futures held steady in the afternoon with a moderate interest evident on either side. Spot position was less active being liquidated at just below the morning's highs.

COFFEE	Yesterday's Close	+ or −	Business Done
	£ per ton		
September	395.0-5.5	+8.75	387.0-97.0
November	356.5-7.0	+1.0	355.5-7.0
January	353.0-3.5	+1.0	352.0-3.0
March	350.0-0.5	+0.5	349.0-50.5
May	347.5-8.0	−0.25	347.0-8.0
July	346.5-6.0	+0.5	345.0-6.0
September	343.0-3.5	+1.0	342.5-3.5

Sales: 297 (92) lots of 5 tons each.

Latest published ICO indicator prices U.S. cents per pound. Colombian Mild Arabicas 47.75 (47.50). Other Milds 42.65 (42.75). Unwashed Arabicas 42.25 (same). Robustas 41.75 (same). Daily average 43.09 (43.04).

RUBBER

LOWER at the opening, with little interest at the lower levels. The close was on an easier note. Lewis and Peat reported a godown price of 98 Malayan cents a kilo (buyer, October).

Contract	Previous Day's Business	2.45 p.m. Official prices	Closing buyers' prices	Rise or fall
C.I.F.	p	p	p	p
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

SUGAR

West rates were depressed with Petrofina taking a 19,000-tonner from Caribbeans to Canada in early-October at W.65.

LONDON DAILY PRICE—Up 70p at £42 for Sept.-Oct. shipment. Prices lifted by 15 to 20 points at an irregular opening with good interest on both sides of the market. Keener selling emerged later, however, and once the principal buyer was satisfied quotations drifted lower, aided later by a weaker New York market, reports C. Czarnikow. Some day-trade profit-taking was in evidence at the lower levels, however, and although closing prices were at the day's lows, the market had a steady tone.

Sugar Pref. Comm. Con.	Yesterday's Close	Previous Day's Close	Business Done
	£ per ton		
Oct.	43.65-.70	43.50-.60	43.50-.90
Dec.	44.30-.35	44.00-.05	44.00-.60
Mar.	45.25-.30	44.95-45.00	45.00-.50
May	45.65-.70	45.25-.35	45.30-.90
Aug.	45.45-.50	45.15-.25	45.20-.65
Oct.	45.15-.25	44.85-.90	45.10-.35
Dec.	45.05-.30	44.80-.90	—

Sales: 2,744 (1,454) lots of 50 tons each.

Tate and Lyle ex-refinery prices for granulated in 1-cwt paper sacks were £4.26 (£4.22) for home trade and £38.25 (£37.50) per ton for export.

SUNFLOWER OIL

Quiet, reports G. W. Joynson.

Sunflower Oil	Yesterday's Close	+ or −	Business Done
[illegible]	[illegible]	[illegible]	[illegible]

SOYABEAN OIL

Quiet, unraded, reports G. W. Joynson.

[illegible]

COCONUT OIL

Quiet and unraded, reports G. W. Joynson. [illegible]

COCOA

[illegible]

WOOL FUTURES

[illegible]

FREIGHTS

[illegible]

COTTON

[illegible]

GRAINS

[illegible]

barley: Ashford £22.65, Salisbury £23.25, Shrewsbury £22.50.

Regional and U.K. average ex-farm forward prices. Soft milling wheat: Dec. delivery. S. East £25.00, S. West £24.30, East £24.75, E. Midlands £24.85, W. Midlands £24.50, N. East £25.10, Scotland £24.95, U.K. £24.80. Jan. delivery: S. East £24.95, S. West £25.00, East £24.70, E. Midlands £25.10, W. Midlands £25.10, U.K. £24.90.

Feeding barley. Dec. delivery: S. East £23.45, S. West £24.00, East £23.40, E. Midlands £22.80, W. Midlands £23.80, N. East £22.60, N. West £24.55, Scotland £21.80, U.K. £23.35. Jan. delivery: S. East £24.10, S. West £24.70, East £24.20, E. Midlands £23.15, W. Midlands £24.80, N. East £23.90, Scotland £22.00, U.K. £24.05.

JUTE

DUNDEE—Quiet and prices unchanged. Offers c.i.f. U.K. for Oct.-Nov. shipment: PWB £154, PWC £144.50, PWD £137. Tossa: PTB £162.50, PTC £152, PTD £144. Calcutta goods unchanged. Quotations c. and f. U.K. for prompt shipment: 10-ounce 40-inch £7.10, 7½-ounce £5.33 per 100 yards. October £7.11 and £5.38, Nov.-Dec. £7.05 and £5.28. "B" twills £17.66, £17.92 and £18.08 for the respective shipment periods. Yarns and cloth steady and prices unchanged.

LONDON—Quiet. PWC grade Sept.-Oct. £146.50 nominal, PWD grade Sept.-Oct. £137.50 *nominal. A long ton.*

CALCUTTA—Closed.

MEAT/VEGETABLES

SMITHFIELD—Beef: Scottish killed sides 17p to 19.6p, English hindquarters 20.4p to 21.5p, Ulster hindquarters 21.5p to 22.5p, forequarters 13.3p to 13.8p, Eire hindquarters 20p to 21.7p, forequarters 12.5p to 13.8p; Argentine chilled boneless cuts: Strip loins 44p to 45p, rumps 39p to 40p, top sides 31.7p to 32.5p, silversides 28.4p to 29.2p, thicks 27p to 29p.

Veal: English fats 27.5p to 33p, bests 14p to 17p, mediums 12p to 14p, bobbies 10p to 12p.

[illegible]

PRICE CHANGES

Prices per ton unless otherwise stated.

	Sept. 28 1971	+ or −	Month ago
Metals			
Aluminium(a) (x)	£257.20	......	£257.2
Copper			
Cash WireBars(x)	£409.25	−7	£445.25
3 months do. do. (x)	£417.25	−6.5	£452.75
Cash Cathodes (x)	£396.5	−8.25	£432
3 months do do	£405.25	−7.25	£442.25
Gold......Troy ozs.	$43.15	+0.65	$40.90
Lead Cash (x)	£90.25	−2.625	£97.875
3 months (x)	£93.	−2.75	£101.125
Nickel(a)	£1,246.5	......	£1,246.5
Platinum (b) troy oz	£50	......	£50
Freemarket	£44½-47	......	£46-49
Quicksilver (76lbs)	[illegible]	......	[illegible]
Silver Troy oz	55.9p	−0.5	61.0p
3 months	56.7p	−0.5	62.1p
Tin Cash (x)	£1,408.5	−4.5	£1,424.5
3 months (x)	£1,418.5	−4	£1,451.5
Wolfram 22.04lb cif	$18-19.5	......	$16-17¾
Zinc Cash (x)	£120.5	+.375	£129.75
3 months (x)	£123.625	+.5	£135
Producers (x)	£150	......	£150
Oils			
Coconut, Malayan	£135 q	......	£137
Groundnut			
5%	£181(y)	......	
Linseed Crude	£103 y	......	
Palm, Malayan	£106	......	£118
Soyabean	$290(r)	......	$320
Seeds			
Copra, Philipp. ton	$174	−1	$179
Groundnuts Nigeria	£96.5	−0.50	
Linseed Can No. 1	£45.65	......	£47.50
Grains			
Barley			
Can No. 2	£20	......	
Home Futures	£23.25	+0.15	£23
Maize			
No. 3 Yellow Am.	£25.25	......	£24.10
S.A. Yellow Flint		......	
Wheat			
No. 1 Red Spring	£30.80	......	£31.15
No. 2 Hard Winter	£28.73	......	£29.80
Australian	£27.50	......	£27.60
English Milling	[illegible]	......	£24.60
[illegible]	[illegible]	[illegible]	[illegible]

INDICES

FINANCIAL TIMES

[illegible]

REUTER'S

[illegible]

DOW JONES

[illegible]

MOODY'S

[illegible]

U.S. Markets

NEW YORK, Sept. [illegible]

NEAR months established new life contract lows on Euro and speculative selling in cocoa. *Chartists selling* weighed on copper. Soyabeans and soyabean meal responded to forecasts of further rain, a better demand for cash meal also. Some scepticism as to whether impending East Coast dock strike will be averted eased wheat, Bache reports.

Cocoa—Bahia spot 23 (23½). Ghana 23¾ (25½). Dec. 23.45 (22.87), March 22.95 (23.36), May 23.35, July 23.76, Sept. 24.13, Dec. 24.53. Sales, 1,237.

Coffee—Santos No. 2/3 unquoted (same). Santos No. 4 42.25 nom. (same). Colombian Mams 47.75 asked (same).

Copper—Oct. 48.75 (47.30 settlement), Dec. 47.25 (47.75 settlement), Jan. [illegible] March 47.55. Sales, 1,404 lots.

Cotton—Contract No. 1 Nov. 24.00 (same), Jan. 24.50 bid (same), April nom., June 22.00 nom. Contract No. [illegible] 31.22 (31.28), Dec. 32.01-32.04 (32.00-32.[illegible]), March 32.92-32.93, May 33.15-33.20, [illegible] 33.09, Oct. 30.88-30.71, Dec. 30.22, March 31.00-31.07.

††Cottonseed Oil—Oct. 5.20 (same), Dec. 14.75-15.00 (same), [illegible] 14.75-15.00, March 14.75-15.00, May [illegible] 15.05, July 14.65-15.10, Sept. 14.30-[illegible] Oct. 14.35-14.55. Sales, nil.

‡Greasewool—Spot 51.5 nom. (same) Oct. 55.8-57.0 (55.8-56.5), Dec. 60.3 (59.5-60.0), March 63.9-60.4, May 67.[illegible] July 67.8-69.2, Oct. 65.6-7.05, Dec. 69.5-[illegible]

†Lard—Chicago loose 11 asked (same nom.), N.Y. drummed 14 (14 nom.).

††Maize—Dec. 112-112¼ (113¼-[illegible]) March 117¾-117¼ (118¾-118½), May [illegible] July 122½-123¼, Sept. 123.

§Mercury—Dec. 290, March 290, [illegible] 290, July 290, Sept. 290, Dec. 290, settlements. Sales, nil.

‡‡Silver—Spot 139.90 (140.10), 140.20 (139.70), Nov. 141.10 (140.60), 142.10, Jan. 143.10, March 145.20, [illegible]

[illegible]

American News

Bids for share in Chile car industry

By Nicholas Colchester

NEW YORK, Sept. 28.

TEN MOTOR companies, including British Leyland Motor Corporation, are bidding to become minority partners in Chile's new nationalised motor industry, the Government Development Corporation stated to-day.

The agency, Corporacion de Formento de Chile, said that the bidding would open on October 15 and that it would choose two or three companies out of the 10. These were said to be Volvo of Sweden, Fiat of Italy, Renault of France, British Leyland, Fab-Famus of Yugoslavia, Peugeot of France, Pegaso of Spain, Citroen and Daimler Benz.

The statement followed on the heels of the announcement by General Motors, the largest car manufacturer in the U.S., that it had decided to shut down its Chilean operation "because of the limitation that would be placed on the company under the terms of the Chilean government's new motor industry programme."

The American company added that if it could find no satisfactory way to get back into the Chilean motor industry by the end of this year it would be willing to negotiate terms with the government under which its manufacturing capacity could be made available together with GM technical assistance.

The GM plant at Arica in Chile employed 586 workers and had produced more than 1,000 vehicles by the end of August this year.

GM is the second major U.S. car manufacturer to call a halt in Chile. At the end of last year Ford decided to run down its operations there and reported in May that its plants had been taken over by Chilean workers.

Second quarter drop in Canada surplus

By Our Own Correspondent

OTTAWA, Sept. 28.

CANADA'S surplus on current account in the second quarter of 1971, unadjusted for seasonal variations, was $C114m. up slightly from the previous quarter. When allowance is made for seasonal factors, however, there was a sharp fall in the surplus between the first and second quarters.

The principal factor in the second quarter (both seasonally adjusted and not adjusted) was the rise in merchandise imports.

Net outflow of capital from Canada in the second quarter was $C107m., an increase of $C49m. over the previous quarter. In the long term account, there were decreased flows compared with the previous quarter for both foreign direct investment in Canada and Canadian direct investment abroad. Increases were recorded for sales of Canadian new issues to non-residents and retirements of Canadian securities held abroad.

Among short term forms, transactions in Canadian holdings of foreign currency bank balances and other short term funds abroad swung by almost $C600m. to a small net outflow from a massive inflow. This was offset by a drop of over $C600m. in the net outflow attributed to "other short term capital transactions."

Official net monetary assets rose by $C7m. in the second quarter of 1971.

Pan Am 'would lose $52m.' in Atlantic fare war

BY NICHOLAS COLCHESTER

NEW YORK, Sept. 28.

PAN AMERICAN World Airways estimates that the transatlantic air fare package advocated by the West German airline Lufthansa will result in an overall loss in 1972 of more than $52m. to Pan Am alone. This figure was produced in a joint appeal by Pan Am and Trans World Airlines to the Civil Aeronautics Board in Washington asking that the U.S. Government intervene in the tangled arguments over the new transatlantic fare schedule.

In the presentation the two airlines stated that the reduction in air fares advocated by Lufthansa would cause a 26 per cent. increase in transatlantic traffic in 1972, but would cause Pan Am a direct operating loss of $32.8m. *Pan Am also estimated that it would lose a further $20m. in adding the* capacity and paying the handling costs necessary to cope with the increased number of passengers.

According to the two companies' figures yields per passenger mile would be reduced by 23 per cent. to 0.038 cents under the Lufthansa system.

The two American carriers informally asked the CAB to take steps to force Lufthansa back into negotiations over a transatlantic fare package that would avoid destructive competition.

Quite how the CAB can react to this request is not at all clear. Any move to interfere with Lufthansa's intentions at Government level would have to be initiated by the State Department, and the feeling in Washington is that this department *would be loth to make protests* to the West German Government. The best the CAB itself can do is to approach the State Department with all PanAm's and TWA's economic arguments at its fingertips and make an informal request for a confrontation.

At the moment the CAB has relatively limited powers in approving or disapproving of *new fare suggestions. It has been* seeking an increase in these powers ever since the Second World War. It can approve or turn down fares agreed upon by the International Air Transport Association, but it can take only limited steps against fare changes put into effect by individual airlines. Greater powers in this area are currently under Congressional consideration.

● *SWISSAIR said in New York* it would file for new North Atlantic fares this week, including a group fare from New York to Switzerland at $180, with fares of $245 from Chicago and $175 from Boston. The new fares, effective February 1, 1972, would be subject to Government approval.

U.S. airline rejects the Concorde

Anchorage, Alaska, Sept. 28.

Northwest Orient Airlines, a U.S. domestic and international line, has decided the Anglo-French supersonic Concorde airliner is not suitable for its routes, which are mostly over populated areas.

The company's president, Mr. Donald Nyrop, after a Board meeting here, said that the company had decided to order 14 McDonnell Douglas DC-10s, which can carry 250 passengers, rather than more Boeing 747 Jumbo jets, of which it already has 13 with two more on order.

Mr. Nyrop said that the airline, which showed a profit of more than £2.5m. in the first eight months of this year, was applying to the Civil Aeronautics Board for a merger with National Airlines.

Reuter

S. America offered Soviet jets

BY HUGH O'SHAUGHNESSY, LATIN AMERICA CORRESPONDENT

THE Soviet Union has mounted a major push for aircraft sales in Latin America, particularly in Chile and Bolivia.

LAN-Chile, the Chilean international airline, is very likely to buy three Ilyushin 62 jets for its international routes following the refusal of the U.S. Export-Import Bank to provide Chile with credit for the purchase of three Boeing 707s. A Chilean technical mission is to leave shortly for Moscow to seek further details about the Russian aircraft, especially about servicing and crew training facilities.

LAN's fleet is at full stretch following its inauguration last year of a service to Europe, the regularisation of its South Pacific service to Easter Island and Tahiti and its new service to Havana.

The airline, a government undertaking, was informed last month of Exim Bank's decision not to lend it $21m. for the Boeings it wanted.

The reason given was that Chile had not yet fixed compensation for the U.S. copper companies following their recent nationalisation by the Allende government.

The Washington decision caused a storm of protest in pro-Government circles in Santiago. It immediately set LAN looking at British and Soviet suppliers, but, as the VC-10 is no longer available in small numbers, the Chileans have little option but to buy from the Soviet Union.

The IL-62 is already in regular service between Moscow and Havana, and the Russians may feel it worthwhile to quote cut prices and generous credit terms to nail down an important South American order.

From Moscow AP reported that Aviaexport, the Soviet Union's foreign trade association, announced it sold five Yak-40 jetliners to Lloyd Aéreo Bolivian of Bolivia.

The Yak-40 is a trijet with a capacity of up to 40 passengers and a range of around 1,000 kms. It has not so far been certificated for sale either by the British or the U.S. authorities. The Russians are likely to have offered exceptional credit and service conditions to clinch the deal.

Peru, meanwhile, has set itself the deadline of January to get a new international airline operational which will take the place of Aerolineas Peruanas (APSA), which went bankrupt earlier this year, according to the authoritative Lima weekly the Peruvian Times.

Braniff, Iberia and Lufthansa have all expressed interest in being associated with the new venture, a majority of whose shares will be in Government hands. The idea, widely mooted a few months ago, that APSA itself would be refloated has been rejected.

The Peruvian Times adds that the Government is preparing to adopt a tougher bargaining attitude towards other airlines serving Lima, particularly in connection with the "fifth freedom" to carry passengers to points short of an aircraft's final destination.

Gromyko demands action over security talks

BY OUR OWN CORRESPONDENT

UNITED NATIONS, Sept. 28.

MR. GROMYKO, the Soviet Foreign Minister, told the UN General Assembly to-day the time was ripe for an all-European security conference, and preparations for it should be put on "a practical footing."

He said the "requirements of the times" dictated the expansion of economic, trade, scientific, technological and cultural ties among all European states and the renunciation of the use of force in their relations. Mr. Gromyko did not refer in his lengthy address to relations with Britain or the expulsion of the suspected Soviet spies from Britain, about which he delivered a vigorous protest last night to Sir Alec Douglas-Home.

A Soviet spokesman declined to confirm or deny to-day a New York radio station's report that Mr. Gromyko told the British Foreign Secretary that the KGB man who defected in Britain, touching off the spy episode, was a minor figure motivated by a wish to torpedo the proposed European security conference.

Mr. Gromyko elaborated on the recent Soviet proposal for a world disarmament conference and tabled a formal resolution for the assembly. This would have the UN body urge the conclusion of an agreement on the date of the conference and its agenda "before the end of 1972."

Meanwhile, a Chilean banker and economist, Dr. Felipe Herrera, is the latest candidate for Secretary General of the UN to succeed U Thant, who retires on December 31. Latin American members of the UN yesterday received a formal note from the *Chilean delegation nominating* Dr. Herrera, 49, and seeking support for the candidacy.

Chilean diplomats said to-day they expected the question to be discussed in the Latin American group at a private caucus later this week and that there was a good chance Dr. Herrera, a prestigious figure in the hemisphere, would command general support in the group.

He was president of the Inter-American Development Bank from 1960 until this year and before that served as an executive director of the International Monetary Fund. Dr. Herrera did post-graduate work in economics at London University in 1950-51. He speaks fluent English.

BP is seeking exploration rights in Peru

By Our Own Correspondent

LIMA, Sept. 22.

BRITISH PETROLEUM and Shell Oil (U.S.) are among eight oil companies to have filed applications for exploration and development contracts with the Peruvian State oil concern Petroperú. BP is seeking a large tract along the River Merañón in Peru's north-eastern jungle region on the frontier with Ecuador. The tract is in the same geological area as the big discoveries made in the past few years in Colombia and Ecuador in the upper Putumayo basin.

The other six companies seeking contracts are Texaco, Phillips, Sun Oil, Signal Oil, Amoco (in association with Shell Oil) and ERAP of France.

A Tenneco-Union Oil consortium has signed an exploration and development contract with Petroperú for 1m. acres off the Peruvian coast. The consortium is committed to drill within six months and to split any oil found 50-50 with the Peruvian company. The area borders Ecuador's territorial waters at the southern end of the Gulf of Guayaquil where significant gas discoveries were made this year.

HAITI

Papa Doc's spirit still rules

BY A SPECIAL CORRESPONDENT IN PORT-AU-PRINCE

THINGS could hardly be going more the way Papa Doc had planned them. Four months after the President Francois Duvalier died his 20-year-old son, Jean-Claude, is still President for Life of Haiti and the forces that could overthrow him are neatly counterbalanced beneath him. In a way the Old Man continues to rule Haiti.

When he died on April 21, 14 *years after coming to power and* just three months after Jean-Claude became Le Successeur Désigné, Duvalier left a political testament which included a Cabinet list and detailed instructions to his son on how to proceed under a variety of circumstances. How long the Old Man's scenario will be played out is the crucial question, but those who predicted an early struggle for power and the ousting of the *Boy President* have long since revised their views. Now, no one is willing to predict. The game is too fraught with "ifs," too dependent on rumours.

Inner circle

Compared with its predecessor, the present *regime* looks more like a normal Government. Under Papa Doc, almost every conceivable *decision* was taken by the President. Now, however, the ministers, particularly those who are members of an "inner circle" that advises Jean-Claude, are allowed to administer their areas without constant reference to the Palace.

Consequently—and to everyone's surprise—the bureaucracy is slowly coming to life. Diplomats report that they get replies to their letters and there is even talk of reorganising the hopelessly incompetent tax, postal and customs services. Once a week, Jean-Claude holds a meeting of his Cabinet and an account of the discussion is often published the following day. Ministers are occasionally sent to the National Assembly to explain their policies and the Assembly's session has been extended twice this year to accommodate pending Bills. The Justice Minister, Andre Rousseau, has even recognised that there have been "certain injustices" in the past.

Of course, with a Constitutional President for Life firmly installed, any talk of democracy is nonsense. But the new Government's desire to improve Haiti's shabby image is leading it to pay at least lip service to some of the institutions that Papa Doc dismissed as irrelevant. Ironically, in the absence of the Old Man himself, these institutions may eventually play a role in supporting Jean-Claude against the ambitions of individual leaders.

By all accounts, Papa Doc realised that changes would have *to follow upon his death if his* son were to survive. His own power had been so enormous that a new formula would have to be found. First, the Old Man apparently realised that no one else would be able to control his private militia of *Ton Ton Macoutes,* which he created in the late Fifties to neutralise the Army and "pacify" the countryside. Without him, the TTMs could begin to act independently of the central Government and eventually challenge the new regime. He therefore began to rebuild the Army he had destroyed ten years earlier and prepared the way for the dismissal of the four top TTM leaders in the country. The heads of the two principal battalions—Colonel Bretton Claude of the Dessalines and Colonel Gracia Jacques of the Presidential Guard — are sworn *Duvalierists, but a new unit* called the "Leopards" is also being formed with the official duty of combatting Communist guerillas. Since Papa Doc eliminated the Communists years ago and there is no apparent guerilla or even exile threat, the "Leopards" have presumably been created and trained as a deterrent to any possible revolt in the regular Army.

Delicate

But perhaps the key to the present stability lies in the delicate balance of power within the "inner circle" that effectively shares power with Jean-Claude. Outside the Duvalier family, the most important figure is probably Luckner Cambronne, Papa Doc's former political runner-boy who is now Minister of the Interior and National Defence; in his late thirties, Cambronne has his finger in every imaginable political and business pie. Then there are the Raymond brothers—Adrien, who is Foreign Minister, and Claude, the Army Chief of Staff. Both are energetic, dynamic, young and, like Cambronne, were plucked from total obscurity by Papa Doc.

The Minister for Co-ordination and Information, Fritz Cinéas, formerly Ambassador to Mexico, is one of the youngest and brightest members of the inner group, while the importance of the office of Minister of Finance, now held by Edward Francisque, *is increasing under the new* administration.

Two key personalities close to Jean-Claude are his 30-year-old sister Marie-Denise and his 60-year-old mother, Simone. Marie-Denise, wife of Haiti's Ambassador to Paris, Max Dominique, and Jean-Claude's private secretary, was Papa Doc's favourite child and her great influence over the Old Man led many observers to predict that she would be the real power behind the throne in the new Government. But in fact, it is Madame Simone Duvalier, who has always been close to her son who has now emerged as the key figure. Mme. Duvalier, a gentle and retiring person, carefully guides the boy in the use of his power and, by all accounts, he invariably follows her advice. However, like *Marie-Denise, Mme.* Duvalier has no real power beyond that of being a Duvalier.

Black envoy

With Haiti again looking abroad for tourists, foreign investment and technical assistance, the U.S. embassy is enjoying a revival of influence here. After President Kennedy cut aid to Haiti in 1963 in disgust at Papa Doc's politics of blood, the Old Man developed a special cold shoulder technique for U.S. Ambassadors—they were unable to see the President without weeks of waiting and ministries seemed to have instructions not to co-operate with the embassy. The mood began to change about 18 months ago when a new U.S. Ambassador, Clinton Knox, was appointed. At first Papa Doc felt slighted that Washington had sent him a black envoy, but when Mr. Knox began to campaign publicly for the renewal of aid to Haiti, his stock rose rapidly in the Palace. By the time Papa Doc became L'Immortel, Mr. Knox was trusted by the Duvalier family. According to diplomatic sources, his advice has been essentially that the present group can survive in power only if unity is preserved. There are also signs that Washington at present sees no alternative to the Duvaliers.

But what are Jean-Claude's thoughts on being the world's youngest President? According to local informants, the boy begged his father not to name *him successor earlier this year,* but he has now more or less settled into his job, although his law studies are suffering. From leading a relaxed life of sports cars and girls before April 21, he is now constantly on show, trailed by soldiers and guards wherever he goes; he has enormous wealth, but he cannot spend it by travelling around the world as he would like; he was born to power, but cannot really appreciate it. The fundamental question is therefore why should he want to remain President?

Conjecture

Not surprisingly, there are frequent rumours here that Jean-Claude will abdicate. There is even the version that Papa Doc left instructions for such an eventuality. Either of the *Raymond brothers or Fritz* Cinéas are mentioned as possible successors (Cambronne's wheeling and dealing has earned him too many enemies to be an orderly "continuity" candidate). Mme. Duvalier would probably not allow Jean-Claude to abdicate, but her health is said to be delicate.

But in Haiti, nothing is certain: all information is based on rumours and conjecture. However, at least for the moment, Jean-Claude does not seem threatened.

Marie-Denise is out of the way and the key ministers are enjoying the power of their office for the first time since Papa Doc reached power himself in 1957: the *Ton Ton Macoutes* are being disbanded; the Army is behind the Duvaliers; and the exile movement seems as likely to succeed against Jean-Claude as the 14 hopeless invasion attempts against his father. If there are to be changes, they will come from within the inner group where all the power that was once in Papa Doc's hands is now shared out.

Export News

Gorky plant gets Drysys equipment

By Our East European Correspondent

DRYSYS EQUIPMENT (INTERNATIONAL), an overseas organisation of the Carrier Engineering group of London, announced yesterday that it had won a £600,000 order from the Soviet trading group, Prommashimport, for a paint finishing line.

It will be installed at the Gorky commercial vehicle factory, which is being developed by the Russians under their plans to step up output of heavy duty lorries and cars during the current Five-year period.

This order comes on top of £2m. worth of similar orders won in Moscow last year. One of these was for the car plant at Togliatti, being built in conjunction with the Fiat Motor Company, and two others were placed, with Carrier-Drysys the sub-contractor, by Renault.

This week's order, according to Drysys, will raise the capacity of the Gorky plant from 84 to 102 units per hour. The plant is scheduled for completion in 1973.

Machine tools bid to narrow EEC trade gap

BY DAVID CURRY

FORTY-FIVE British machine tool and associated equipment manufacturers will be showing products at the 12th European Machine Tool Exhibition which opens in Milan on Saturday and continues until October 10.

Although Italy's machine tool exports at 119,222m. lire exceed imports by 77,369m. lire it is still the world's sixth largest importer and Europe's fourth. West Germany, the U.S. and Switzerland account for about 70 per cent. of Italy's machine tool imports.

During the last three years, however, the U.K. machine tool industry has more than doubled the value of imports into Italy from £1.5m. in 1967 to £4.1m. in 1970 and is now that country's fourth largest supplier (at over 9 per cent.) after W. Germany (44 per cent.), the U.S. (14 per cent.) and Switzerland (11 per cent.). France ranks fifth (under 8 per cent.).

Italy is still a relatively minor market for the British machine tool industry. In 1970 West Germany took £8.7m. of the £21m. tools exported to the EEC, and in the first half of this year West Germany has already bought goods worth £9.8m. out of total EEC sales of £12.8m.

This year, however, looks as if it might see Italy overtake France as the second largest purchaser of British tools.

Britain imports more machine tools from the EEC than it sells there. Last year our imports totalled £30.1m., up from the £21.6m. of the previous year when exports were at £12.8m.

West Germany accounts for more sales than the rest put together. In 1970 she sold us tools worth £22.3m. This year, however, largely because of the shuddering lack of confidence in most sectors of the British industry, her imports have fallen off to £3.7m. in the first six months, since no one in Britain has been in a mood to place big orders.

Comecon

The British industry is hoping for large orders from Comecon. It staged a machine tool exhibition in Moscow this summer with a view to tapping some of the orders needed to fulfil the current Soviet Five-Year Plan. In 1967-69 Comecon countries ordered some £50m. worth of machine tools.

The industry has been increasingly turning to sophisticated numerically controlled machine tools, though the sector of the industry that has stood up best in the recent depression has been that producing relatively simple tools. The major gap in Britain's productive capacity is at the very heavy end of the scale.

The exhibition is organised by the European Committee for Co-operation of Machine Tool Industries (CECIMO) consisting of 13 member countries—Britain, Austria, Belgium, Denmark, France, Germany, Italy, Netherlands, Norway, Portugal, Spain and Switzerland.

About 1,500 Western European manufacturers are represented by CECIMO through their respective national trade associations, and represent about 34 per cent. of world machine tool production.

The exhibition is the 12th in a series which have been staged in rotation on a two-yearly basis in Brussels, Hanover, Paris and Milan.

SELLING TO THE U.S.

Quietly modish by Savile Row

BY DAVID CURRY

IT is a fairly general belief among the English that the natives of California live in bikinis, Bermuda shorts and jeans.

If this is true then the Clothing Export Council is about to waste some £25,000 on a "fully merchandised fashion spectacular" in San Francisco as part of the British Week.

In fact, the Council asserts, the armies of the unclothed are centred on Los Angeles. San Francisco is temperate, and that means that British fabrics, weights and colours are readily acceptable to the American market.

Some 400 articles are going on show from about 220 companies. The Council is mounting three presentations daily of men's, women's and children's wear, with a platoon of 23 of Britain's leading fashion models specially imported for the shows. "American models," the council complains, "are no good. They do not know what it's all about."

Some of London's top designers will be included in the shows, including Mary Quant, Henry Lehr, John Bates, Jean Muir, Thea Porter and Bill Gibb.

The four suits pictured will be part of the presentation. They were made by Henry Poole and Co., which claims to be the oldest Savile Row company.

One of the company's directors tours the U.S. twice a year, taking orders personally. The customers, the company adds, usually manage to get over to London for the fitting.

The most popular suits are still the traditional British going-to-the-office suit. They cost about the same as the more nonchalent outfits in the picture—about £45 plus 22½ per cent. import duty and 10 per cent. surcharge.

The U.S. is easily Britain's major export market for clothing. Sales there last year touched £12.8m. and this year the Council is hoping to reach £14m. In the first seven months of this year sales were running at £7.2m. with the pre-Christmas and autumn peak selling period still to come.

The Council is confident that the import surcharge will not damp down British progress in the American market.

It has just returned from mounting fashion shows at Hamburg and Zurich. Swiss Television has offered the Council 20,000 francs to take the show back for a Christmas TV presentation.

It is reported that Californian shops are buying U.K. consumer goods at a rate of more than $10m. a month in anticipation of British Week.

Nonchalant elegance—what Savile Row hopes to sell to San Francisco.

IN BRIEF

Feedback Data has sold Disk Drive Controllers valued at more than £60,000 to the USSR. They have been specified by the largest of Russia's computer factories to enable 7.25 Mega-byte (2311 type) disk drives to be coupled to the newly announced Minsk 32 computer range. This gives the new generation of Russian commercial computers a sophisticated disk capability.

More than 1,000 Minsk 32 computers are expected to be produced and it is therefore anticipated that this first controller order will represent the tip of a large order iceberg for Feedback.

*

Precision Air Control, Croydon, is working on four contracts worth a total of £75,000 for Eastern Europe.

Two installations in Hungary are for Budapest City Council, and the National Wagon Factory at Györ. In Poland, work is being carried out at the ZPM car plant, Warsaw, and the FSC commercial vehicle factory at Starachowice.

*

A £100,000 contract has been won by SF Air Treatment, Staines, for machine room ventilation equipment for a pulp mill in Chile. This order is the result of co-operation between SF Air Treatment and its sister company Ventilation Industrielle et Miniere of Paris, which is supplying the FC Pulp Dryer, giving an output of 300 tons of pulp per day.

GEC-Elliott machine scores first in U.S.

THE GEC-Elliott automatic ceramic shell mould machine, designed to boost productivity in the investment casting industry, has broken into the U.S. market with a sale to TRW. Since GEC-Elliott Precision Controls supplied the first machine last year to Deritend Precision Castings, four international orders have been obtained worth £20,000 and total sales amount to well over £100,000.

Orders have now been received from Microfusion SA of France, the similarly titled but independent Microfusione Italiana of Milan, as well as the Metals Division of TRW Inc., Ohio. The Microfusion and TRW machines are already installed and operating, and the Italian machine will be delivered towards the end of this year.

The TRW order is regarded with particular satisfaction, not only because the American market is difficult to penetrate, but because the Metals Division foundry at Minerva is the largest and generally recognised as the most technically advanced in the Americas.

TRW Metals, in common with other founders using the machine, is largely concerned with the manufacture of precision investment castings for the aerospace industry. TRW is also, however, using the machine to produce ceramic melting pot liners, a novel application which has been developed at the Minerva foundry.

The GEC-Elliott machine takes over the dipping operation, previously carried out manually, in which wax patterns are invested with a coating of refractory stucco in the Monsanto ceramic shell process. These shells, after the wax has been melted out, are accurate moulds for hot metal casting, producing tight to size components with a surface finish good enough to virtually eliminate finish machining.

Freewheeling successes

RALEIGH INDUSTRIES OF AMERICA, the U.S. arm of the U.K. company owned by Tube Investments, will have sales of $23m. this year and $28m. next year, according to its president, Mr. N. A. Langenfeld.

Speaking to directors, he said that the bicycle boom would continue, with the backlog stretching through 1972. The surcharge would not affect sales because consumer demand still exceeded supply.

ORDERS for a substantial part of the galley equipment for three container ships being built in West Germany have been received by Thomas Bishop, of Hillington, Glasgow—a member of Scoteros Engineering and Food Services Division.

Howaldtswerke-Deutsche is building the ships—one of 50,000 tons deadweight, the others each of 35,180 tons deadweight—at its Kell yard for Ben Line Steamers, of Leith.

European News

Floating rates endanger EEC political balance

BY REGINALD DALE, COMMON MARKET CORRESPONDENT BRUSSELS, Sept. 28.

FLOATING exchange rates in the Common Market are causing serious divergences of view between Germany and the other five countries about the future of the Common Agricultural Policy. Community officials are now becoming increasingly anxious that the entire political balance between France and Germany inside the Common Market may be endangered failing a joint solution to the Six's agricultural and monetary problems.

The immediate cause for concern have been suggestions made here over the last two days by Herr Josef Ertl, West German Minister of Agriculture, that the present system of Community border taxes on farm trade should be maintained at the German frontier even once a new fixed parity has been set for the D-Mark. The taxes were intended as a temporary measure to cope with price fluctuations caused by floating exchange rates.

Herr Ertl has pointed out to the Council of Ministers that measures will have to be taken to protect German farmers from the consequences of a D-Mark revaluation, which is bound to be higher than any upward movement by other Community currencies. Under the rules of the CAP this would automatically lead to a corresponding fall in German farm prices and a drop in farmers' incomes.

The other member states are basically sympathetic towards the plight of the German farmer, but reject any suggestion that would lead to a permanent system of border taxes, effectively cordoning off Germany in a separate price zone from the rest of the Six. They suggest a temporary border tax system, for up to, say, a maximum two years, of direct subsidies to farmers, or a change in the value of the unit of account in which farm prices are defined.

Subsidies rejected

But Herr Ertl to-day rejected the idea of national subsidies, and said that as long as there was no real economic and monetary union in the Community, it would not be possible to continue with real common farm prices without a border tax system. He was in favour of a common agricultural market, but the German taxpayer could not be expected to pay for problems caused by the failure of plans for economic and monetary union to keep up with agricultural integration.

It is pointed out here that the political balance in the Community could be endangered if Germany could continue to export industrial goods free of duty to France, while French farm goods faced a permanent border tax at the German frontier. The financial balance of the Community would be upset, because Germany, a traditional loser in operations by the Farm fund, would be earning vast sums of money from its tax on imports.

The problem will not arise in an acute form until the monetary situation becomes clearer, and the present temporary border system can be expected to continue to operate for at least several months. But experts here believe that a final solution can only be found in the context of an overall monetary settlement that would fix community parities for years to come—otherwise the problem will simply recur.

GERM WARFARE AGREEMENT ON

By Our Own Correspondent

GENEVA, Sept. 28.

A FINAL version of the draft treaty to ban biological weapons was tabled here to-day under the joint sponsorship of the NATO and Warsaw Pact countries in the committee on disarmament. Notwithstanding the luke-warm reception by the non-aligned countries, it is confidently predicted that the draft will have an easy passage through the UN General Assembly and be open for signature early in the new year.

Turkish ministers resign

ISTANBUL, Sept. 28.

THE RESIGNATIONS of two Ministers from Dr. Nihat Erim's non-party Government were officially announced to-day, prompting speculation that Turkey may be on the verge of new political problems.

The two who resigned—the first to do so since Dr. Erim took office last March—are Communications Minister Haluk Arik and Power Minister Ihsan Topaloglu. Neither has yet been replaced.

The announcement came as the land forces commander, General Faruk Gurler, went on the State radio to-day to reinforce the message contained in a March 12 ultimatum by the country's military leaders which brought down Mr. Suleyman Demirel's Government.

General Gurler's remarks followed similar statements earlier by both the navy and air force commanders that the military leadership was determined to see wide-ranging reforms implemented.

In its March 12 ultimatum, the military leadership threatened to take over the country unless a Government able to ensure law and order and carry out reforms was established.

Reuter

Dutch want representation

By Robert Mauthner

PARIS, Sept. 28.

THE DUTCH remain adamant in their demands for representation on the high-level OECD trade committee, the creation of which was decided by OECD ministers three months ago.

It was thought at first that the Netherlands would withdraw its candidature, but the Dutch Government has now made it clear that, as a member of the Group of Ten most important trading nations and because of its close involvement in the current international monetary talks it must have a delegate on the committee.

The Dutch are now insisting that the smaller industrialised countries must not be left out of talks either on international monetary or trade problems.

FRENCH ECONOMY

Ambitious targets

BY ADRIAN DICKS IN PARIS

IN AIMING FOR a real growth rate of 5.2 per cent. next year, the French Government is sticking its neck out. As M. Valéry Giscard d'Estaing, the Finance Minister, remarked when he presented the 1972 budget, no other European country is aiming at a rate greater than 4 per cent. for the coming year. France is once again likely to be second only to Japan in the growth league table of industrialised nations.

To achieve this France wants to preserve the current "exactly right" parity of the franc to stay competitive and safeguard the export-led expansion which has kept its economy growing at more than 5½ per cent. for the past two years.

Red tape

But the question remains whether France can really withstand, on the one hand, the inflation such a high growth target is bound to provoke and, on the other, the risk of a large inflow of speculative funds should exchange markets feel that France may revalue after all if Washington agrees to remove the surcharge or increase the gold price.

For the immediate future, however, the international part of the problem looks distinctly the less threatening for France. The two-tier exchange market, for all the banks' grumbling, is serving its economic purpose of giving French exporters and importers—to the envy of others in Europe—the protection and certainty of fixed exchange rates.

True, many bankers fear that its prolongation and the growing volume of red tape surrounding almost any foreign currency transaction may endanger the long-term development of Paris as a leading international financial centre. But this is a risk President Pompidou and his advisers seem willing to run in return for an orderly currency market whose behaviour supports their case for a system of fixed parities—to which France remains strongly attached.

The nature of this attachment, however, has been somewhat misunderstood abroad. It does not stem primarily from any wish to fight another round of General de Gaulle's crusade against the dollar: M. Pompidou has none of his predecessor's taste for international monetary heroics, nor for diplomatic isolation. Rather, his stance has been taken up because he believes France has little choice but to pin its hopes on a continued strong rate of export growth as the main engine of economic expansion.

The 1972 Budget foresees an 8.1 per cent. increase in exports, with a trade surplus of about Frs.5,000m. Yet there are fears—expressed, among others, by the National Institute for Statistics and Economic Research in its latest forecast—that this objective could be seriously threatened if France's customers have to take strong deflationary action. Such a blow just now would come particularly hard, for three reasons.

First, the trade figures for the last three months have not been a particularly encouraging follow-up to the bumper results recorded in May. In June there was an almost exact balance. In July a sizeable surplus was due mainly to a very sharp drop in imports. In August the seasonally adjusted figures showed a slight deficit. It may be hard in the second half of the year as a whole to match the Frs.2,300m.-odd surplus registered in the first six months.

Paradoxically, the second cause for concern is the growth of manufacturers as a proportion of French exports. During the first half of this year, for the first time, more than half the total (52 per cent.) in value were manufactured goods rather than agricultural products. Highly satisfying though this trend must be to French officials, it is also bound to seem rather vulnerable in the present climate of international trade.

But the most serious consequences of any pronounced slowdown in exports would be felt on the political plane. Prices have been rising at around 5.6 per cent. a year and wages by double that. Yet unemployment—though well down from the January peak of 350,000—is still too high by French standards for President Pompidou and his prime minister, M. Jacques Chaban-Delmas, and has prevented M. Giscard d'Estaing from throwing everything into the fight against inflation.

What emerged in the 1972 budget was, understandably, a compromise. Household consumption is to be allowed to rise a little faster than planned, while exports and investment will provide most of the pulling power. Thus while Government spending will rise by a similar amount in money terms to GDP (9.3 per cent.), investment on infrastructural projects will rise by more than 20 per cent.

Employers have reluctantly agreed to a six-month experiment in limiting price increases of manufactures to an average of 1.5 per cent.; on the other hand, nothing final has yet been heard from the unions on the question of holding wages down, and ministers have repeatedly promised that there is no thought of a wage freeze. In the meantime policemen, teachers, civil servants and railwaymen are all lining up to do battle.

To British eyes the picture is familiar enough. But the French Government is in a particularly delicate position. It must begin to calculate budgetary policies in the light of the next National Assembly elections, which are due to take place some time before the autumn of 1973, and at which it may be challenged by a reanimated Socialist Party.

Rattled party

Finally, the Government is still suffering the consequences of this summer's series of property scandals, in connection with the most notorious of which, the Garantie Foncière, a Gaullist deputy and former associate of M. Chaban-Delmas, faces charges of fraud.

The Prime Minister began the process of restoring the morale of a rattled party with a firm speech to the congress of Gaullist parliamentarians at Hyères last week. In trying to reassert its grip on the confidence of the wider French public, however, the French Government is going to remain very much the hostage of world monetary events.

Mindszenty leaves Hungary

By Our Own Correspondent

VIENNA, Sept. 28.

JOZSEF CARDINAL MINDSZENTY, who since November 4, 1956 had lived in self-imposed exile in the American legation in Budapest left Hungary to-day on the basis of an agreement concluded between the Hungarian Government and the Holy Sea. He arrived in Rome in the afternoon. The news of the Cardinal's departure was announced over Budapest Radio.

After protracted and difficult negotiations the departure of the 9-year-old Primate of Hungary clears the single most difficult obstacle which has hitherto hampered the full normalisation of American-Hungarian relations as well as those between the Holy Sea and Budapest.

Sentenced to life imprisonment in 1948 on charges of treason, the Cardinal was freed during the Hungarian revolution of 1956 and for a few days resumed his eclesiastical functions. After the Soviet intervention he took refuge in the American legation.

N BRIEF

BRITISH Foreign Secretary, r Alec Douglas-Home, will visit adrid early next year at the vitation of the Spanish Minister Foreign Affairs, Senor regorio Lopez Bravo. Gibraltar expected to be high on the enda.

FRENCH Compagnie Générale Electricité (CGE), which holds e French licence for the U.S. neral Electric boiling water actor (BWR), is now almost rtain to obtain the contract for ance's second nuclear power tion, following an agreement principle on its price with ectricité de France (EDF), the ate electricity authority.

U.S. Vice President Spiro new will pay an official visit Greece from October 16 to 18 his return from Iran's 25th ntenary celebrations. After official visit Mr. Agnew will y on for a brief private visit.

Soviet emergency meeting

BY MICHAEL SIMMONS, EAST EUROPEAN CORRESPONDENT

AN EMERGENCY meeting of the Soviet Politburo was held in Moscow earlier this week immediately after the return of Mr. Leonid Brezhnev, the Party leader, from his tour of Yugoslavia, Hungary and Bulgaria, according to AP reports from Moscow yesterday. No details have so far been published of what was discussed, nor is it known—according to the news agency—what particular problem caused the meeting to be held. Apparently, however, it was urgent enough to bring eight full members and two candidate members of the 15-man Politburo to Vnukovo Airport when Mr. Brezhnev came back on Monday.

The meeting was held in the airport's VIP lounge and probably lasted about two hours. As a result the initial programme of the Indian Prime Minister, Mrs. Ghandi, now visiting Moscow, had to be radically re-organised.

Almost certainly, one of the chief subjects discussed was Britain's decision to expel 105 diplomats and officials which was announced while Mr. Brezhnev was out of the Soviet Union. The British move has so far provoked only a flurry of angry words from the Soviet Foreign Ministry, culminating in the expected protest to the British Ambassador, Sir John Killick. No retaliatory measures have yet been decided upon, and since many of the possibilities now being discussed by the Russians could harm them as much as Britain it is obvious that they are playing their cards with extreme care.

Moscow's policy of détente towards Western Europe could suffer if it was over-precipitate in its reaction. There could be some deleterious effect on the Soviet economy if British businessmen or technicians were ejected.

Soviet knowledge of what is going on in China, and its implications for Moscow, could also have been a topic discussed.

Mr. Yuri Andropov, chairman of the KGB, whose organisation has been blamed by Britain for the spying that led to the expulsions, was among those at the airport to meet Mr. Brezhnev. Others included Mr. Alexei Kosygin, the Prime Minister, and senior Politburo members Voronov, Mazurov, Podgorny and Suslov. It is unlikely that so many men of such calibre, accompanied by top members of the Party Central Committee, would come together unless it was to make an important policy decision.

Court Line resumes TriStar talks

BY MICHAEL DONNE, AEROSPACE CORRESPONDENT

COURT LINE AVIATION, the U.K. inclusive-tour holiday airline, has resumed discussions with Lockheed Aircraft Corporation of the U.S. on the possible purchase of two Tri-Star airliners, with an option on another three.

Talks about such an order were in progress earlier this year, but came to a standstill when Rolls-Royce collapsed in February. Since then, while both Lockheed and Rolls-Royce (1971) have been fighting to re-establish the TriStar/RB-211 programme, all new sales negotiations have been virtually in abeyance.

Now that Lockheed and Rolls-Royce (1971) have been successful in their task, they are actively seeking new orders, and Court Line Aviation is one of the first airlines to resume negotiations.

The TriStars in which Court Line is interested are of the high-density, 400-seat inclusive-tour model. If an order is eventually signed, other holiday charter airlines in the U.K. and Western Europe would probably become interested, in order not to be left at a competitive disadvantage. Court Line would want delivery in 1973.

In the meantime, the airline announced yesterday that it has bought two additional One-Eleven Series 500 jet airlines on the second-hand market (they formerly belonged to Bahamas Airways), to bring its One-Eleven fleet to 12 aircraft.

Court Line flies many of Clarksons Holidays' passengers, under a five-year agreement, and also flies for other tour organisers such as Murison Small, Pontinental, Wallace Arnold and Castle Holidays.

Mr. John Young, managing director of the Court Line group, said yesterday: "I believe our share of the holiday market will continue to grow and we are looking for a 20 per cent. increase next year."

He added that Court Line Aviation contributed over £650,000 to group profits last year. It expects to carry about 1.5m. inclusive-tour passengers in 1972, and have a turnover in excess of £11m.

Chloride re-forming battery facilities

BY MICHAEL CASSELL

THE CHLORIDE GROUP is to reorganised its U.K. battery making facilities in an attempt to improve their profitability.

Last year the group as a whole earned record profits, while those of Electric Power Storage, its largest subsidiary and an international supplier of industrial and automotive batteries, remained low and showed little improvement over the previous trading year.

Considerable rationalisation within the company has already taken place but it has now been decided to split the existing organisation into three separate companies.

They will be known as Chloride Automotive Batteries, Chloride Industrial Batteries, and Chloride Supplies. Output will be concentrated on two plants at Manchester and Dagenham and the total work force will number about 4,500.

A spokesman for the company said no redundancies were envisaged as a result of the reorganisation.

Announcing the changes, Mr. Edward Powell, chairman of the Chloride Group, commented: "Formation of the three new companies should enable us to reap the benefits of this work and achieve a greater concentration of effort on each of the main product lines."

CBI-Dutch talks on Six entry to-day

By Michael Cassell

TALKS BETWEEN Dutch industrialists and the Confederation of British Industry on Britain's possible entry into the Common Market will take place in London to-day.

The meeting is one of a series between the CBI and its counterpart federations in Europe as part of the preparation for EEC membership.

The Dutch delegation is from the Council of the Netherlands Industrial Federations, and the one-day talks will cover a range of topics from the general economic situation and the CBI initiative on prices to the commercial, monetary and industrial policies of the EEC.

Also on the list for discussion is the role of trade unions, particularly in the European context, and the Industrial Relations Act, which the Dutch are anxious to examine.

The two delegations will be headed by Sir John Partridge, president of the CBI, and Mr. S. C. Bakkenist, president of the Council of Netherlands Industrial Federations and of the Federation of Netherlands Industry.

Pollution study

● The CBI announced yesterday that it has set up a special working party to co-ordinate its role in the international fight against environmental pollution.

An exploratory meeting has already been held and the need to keep in touch with Government departments and to continue close association with the work of the Royal Commission on Environmental Pollution was emphasised.

The working party, which will consider any action that the CBI may decide to take to combat environmental pollution, will be under the chairmanship of Mr. John Langley, a director of Imperial Tobacco and chairman of the CBI environmental and technical legislation committee.

Its membership will comprise the respective chairmen of this committee's specialist panels, which are doing work on various aspects of this major international problem.

Industry plans boost for electric cars

TO GIVE an impetus to development of electric vehicles, the Electricity Council, acting for the Electricity Boards in England and Wales, has placed a letter of intent with Enfield Automotive for 80 battery electric vehicles. Most of these will be two-seater city cars known as the Enfield 8000 Electric City Car, and there will be a few light vans.

The objective is for the industry to carry out large-scale operational research on the performance and use of electric cars and light vans, including the effect of different battery charging routines.

The 80 cars and light vans will incorporate any modifications found necessary from two prototypes sent by Enfield for test trials by the Motor Industries Research Association at Lindley, near Nuneaton, Warwicks., and the Electricity Council research centre at Capenhurst, Cheshire. The prototypes have been demonstrated successfully to the electricity Council.

The cars will have aluminum bodies and will incorporate standard commercially available components and conventional lead acid batteries.

Maximum speed of the vehicles ordered will be 40 m.p.h., with general cruising speed of 30 m.p.h., and on a typical city run their range should be 60 miles.

The Enfield 8000 electric city car.

Better VAT Bill after commerce talks–Jenkin

BY JUSTIN LONG

MR. PATRICK JENKIN, Financial Secretary to the Treasury, said yesterday that the Government was pleased with the "volume and quality" of the response to its invitation to commerce and industry to comment on the Green Paper proposals for introducing VAT.

In the six months since the Green Paper was issued, Customs and Excise had had talks with wel over 300 trade organisations as well as correspondence from many more, said Mr. Jenkin.

"I am sure that when the VAT Bill is introduced it will be a vastly better Bill, by reason of those discussions, than it could have been without them," the Financial Secretary told the Ilford Chamber of Commerce.

In a further inference that points of criticism following the publication of the Green Paper had been dealt with, Mr. Jenkin contrasted the process of consultation used in the development of the VAT proposals with the previous Government's much swifter imposition of "completely new taxes," some of which had had to be substantially revised later.

Rise in merchant ships lost

By James McDonald

THE WORLD'S merchant shipping fleet last year lost 352 ships as a result of casualty—the highest peacetime figure for 50 years—according to Lloyd's Register of Shipping figures published to-day.

By contrast, the tonnage involved, at 612,618 gross tons, was 212,359 tons less than in 1969 and was the lowest since 1964.

Of the ship losses total, 89 were under the Japanese flag, including the largest casualty—the California Maru ore carrier of 34,000 gross tons, built in 1965, which foundered.

A record number of ships—140—foundered during 1970, against 108 in 1969. Tonnage involved rose by 82,846 tons to a new record of 284,948 gross tons.

Although the tonnage totally lost through fire last year showed a decrease of 179,354 tons from the previous year's peak of 266,500 tons, the number of ships lost—at 63—was the highest ever recorded, nine more than in 1969.

Tonnage lost through collision declined 91,414 tons to 48,432 tons from the previous year's peak—the lowest level since 1965. But only five fewer ships were lost last year, despite the traffic separation schemes which have been introduced; the total in 1970 was 40.

The 352 ships lost in 1970 included 21 oil tankers totalling 176,525 tons—29 per cent. of the overall loss—and 77 fishing craft.

The total merchant shipping tonnage scrapped last year, at 4.3m. tons—has been exceeded only by the previous year's record figure, says Lloyd's Register. The number of ships involved, 1,030, "is the highest ever recorded."

Countries sending the most tonnage to the shipbreakers were: the U.S.—1,939,309 tons; Panama—323,973 tons; Greece—307,535 tons; the U.K.—276,552 tons; and Liberia—240,275 tons.

Over 18 per cent. of the Lebanese fleet was broken up while other high proportions wre recorded for the U.S.—10.5 per cent.; China (Taiwan)—10.2 per cent.; Cyprus—9.2 per cent.; Brazil—7.5 per cent.; and Panama—5.7 per cent.

The major share of the ships broken up were in the 6,000-8,000-tons group and comprised mainly war-built tonnage. Most of the U.S. broken-up ships had been laid-up for many years.

BL 'already reaping Six entry benefit'

By Our Midlands Correspondent

BRITISH LEYLAND is beginning to reap the benefits of having braced itself for entry into the Common Market. For some years research and development programmes have been geared towards design trends and safety and pollution requirements of all countries in Europe, which in the past decade has become the biggest overseas market.

Mr. George Turnbull, deputy managing director of BL and managing director of its volume car division, Austin Motors, told civic visitors from Lyon, Velluto and Frankfurt that almost 90 per cent. of European sales had come from Minis, 1300s and other models made by Austin Morris.

"We have publicly made our position very clear on the issue of joining because there are tremendous advantages to be obtained," he said. A fully-fledged Common Market would increase total population from 188m. to 255m.

Vehicle and General Tribunal of Inquiry

'Complete shambles' in administration'

A FORMER EXECUTIVE of the Vehicle and General Insurance Company agreed yesterday that under-estimation of outstanding claims seemed to have been a contributory factor in the company's insolvency.

Mr. John Hawkings, who in November last year became motor claims manager of the Vehicle and General group, was giving evidence to the tribunal investigating the company's collapse. He was being cross-examined by Sir Elwyn Jones, QC, for V & G's policy-holders and shareholders.

Sir Elwyn referred him to an expert's expressed opinion that one of the important tasks of a claims official in the fixing of estimates for outstanding claims was that the provision created should in each claim represent the total estimated cost of discharging all liabilities including settlement expenses, having regard to the most up-to-date information available.

Mr. Hawkings said he agreed with the theory of that statement.

Sir Elwyn said the expert had stated that the degree of reliability of any statistics produced "and in no small measure the solvency of a company" had always to depend on the adequacy of the provisions made for outstanding claims.

Mr. Hawkings agreed.

"Easiest way"

Sir Elwyn then said that the expert had further claimed that to underestimate outstanding claims was the easiest way to cover up an under-writing loss. Mr. Hawkings replied: "That would be the effect—yes."

Sir Elwyn said that the expert had said that this had been a factor which had in the past led more than one company on the road to insolvency.

Mr. Hawkings agreed.

Sir Elwyn: "It led V & G on the road to insolvency, did it not?"

Mr. Hawkings: "It seems to have been a contributory factor."

Mr. Hawkings said he first became aware of under-estimating of claims throughout the company in August, 1970. The under-estimating had taken place in 1968 and 1969, general inflation having played a part through the increased cost of motor repairs and third party injury costs.

"Had we had the control system that was introduced in the last year or so in data processing, then I think the under-estimating would have been revealed," he added.

Mr. Hawkings rejected a suggestion by Sir Elwyn that V & G tended to pay less attention to the investigation of clai[ms] because it believed it had poli[cy] holders with good motori[ng] records less likely to ca[use] accidents.

"There was never a delibera[te] policy of not investigating claim[s]" said Mr. Hawkings.

Mr. John Medany, assista[nt] general manager of the V and [G] group from March, 1965, said th[at] at the end of 1967 there we[re] 20,000-25,000 claims outstandi[ng] for which no estimates had be[en] made as to the final cost. "I fou[nd] out subsequently that £50,000 h[ad] been set aside against the[se] claims which to my mind w[as] ludicrous," he said.

Referring to the fact th[at] claims were being left without [an] estimate of their final cost bei[ng] made, he added: "The intenti[on] was to put an estimate on t[he] claim within a week or so, b[ut] it just wasn't happening."

Answering questions from [Mr.] John Davies, QC, for the tribun[al], Mr. Medany agreed that any [in]surance man who had examin[ed] V and G's affairs in 1966 wo[uld] have become aware of what w[as] happening, but would not nec[es]sarily have become aware of t[he] inadequacy of the estimate.

Mr. Medany added: "I beca[me] aware of the deficiencies in [the] estimating as soon as I knew [the] system. I became aware throu[gh]out 1967 of a complete shamb[les] in the administration of the c[om]pany, including Data processing.

"When I first became aw[are] there was grotesque un[der]estimation, I accepted that [the] shambles was as likely to hit [on] the right figure as the wrong o[ne]."

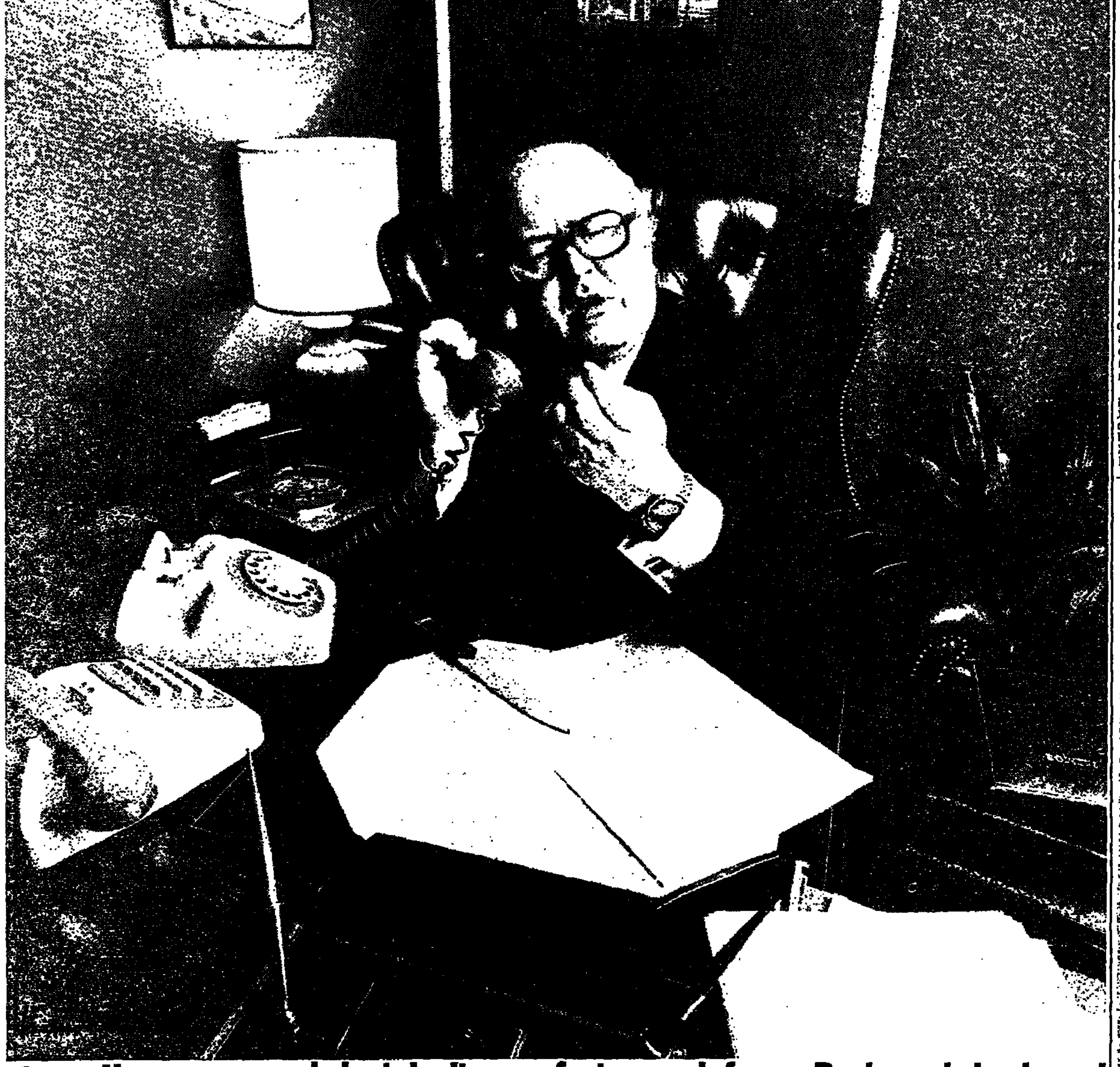
Mr. Medany added that it su[bse]quently became clear that [the] information being provided [by] V and G to the British Insura[nce] Association data pool was "[non]sensical."

"State of chaos"

He agreed with the tribu[nal] chairman, Mr. Justice James, [that] if anyone from the Board of T[rade] had gone into V and G in [1966] they would have found a stat[e of] chaos. But he suspected that [the] shambles would have been [so] in 1967 that they could not [have] proved very much at all [and] would have been "pretty mu[ch] the same in 1965—" In 19[..] don't know."

Mr. Medany said he tho[ught] that, if a team from the B[oard] of Trade had descended on [the] V and G's claims offices in [..] the company would have ce[ased] to trade.

The tribunal adjourned [..] to-day.



مكتبة الأمير الأصل

Other Overseas News

Uganda delegation to visit S. Africa

By Our Own Correspondent

KAMPALA, Sept. 28.

PRESIDENT AMIN to-day told his ministers he was proposing to send a ten-man delegation to South Africa to study the situation there and the problems of the African people. He said he would cable South African Prime Minister Vorster with his proposal, but would insist on freedom for the delegation to meet all sections of the people.

President Amin said he would not himself go to South Africa but it was important to learn the truth. Earlier, he had cabled Malawi President Banda following his recent visits to South Africa and Mozambique to congratulate him on his efforts to study African problems and find solutions to them.

To-day's announcement caused surprise here despite President Amin's earlier comments that African leaders must face facts and accept that the Sudan was worse than South Africa in its discrimination against African people in the Southern Sudan. He is also regarded as having been influenced towards South Africa by the continued refusal of Tanzania and some other African states to recognise his military regime here.

ZAMBIAN CHIEFS SUPPORT KAUNDA

LUSAKA, Sept. 28.

Zambia's tribal chiefs to-day pledged their support to President Kenneth Kaunda against the challenge posed by former Vice-President Simon Kapwepwe who left the Government in August to become an opposition leader.

The pledge of loyalty by the House of Chiefs, an assembly of some 30 senior traditional rulers, came eight days after a Government crackdown on the opposition in which about 100 supporters of Mr. Kapwepwe's banned Progressive Party were arrested.

[illegible]

Yen rises more than 7% in relation to dollar

BY OUR OWN CORRESPONDENT

TOKYO, Sept. 28.

THE VALUE of the yen to-day was pushed beyond 7 per cent. in relation to the U.S. dollar for the first time since the yen was floated a month ago. Observers attributed the new high to non-intervention in exchange dealings by the Bank of Japan.

It was thought here that the central bank authorities decided to remain out of the market to-day because of foreign criticism of tight official exchange controls and heavy intervention. As a result, the dollar for delivery to-morrow was quoted at a rate of Yen 335.88.

Transactions totalled more than $31m. to-day, with dollars for immediate delivery quoted at rates ranging between Yen 336 and Yen 336.55. The Exchange experts say they expect that the yen may gain up to 8 or possibly 9 per cent. when a flood of export bills hits the market in a day or two.

Heavy intervention by the Bank of Japan may have raised the nation's foreign exchange reserves to beyond $13,000m. and by the end of October gold and foreign currency holdings could pass $14,000m. Another reason why the central bank may have temporarily stopped support actions is the fact that local industry and business circles are openly complaining about the "controlled" market.

Most Japanese business and financial leaders feel that realignment of the world's major currencies will take a long time and that the Japanese Government may find that it cannot wait. It is considered to be a growing likelihood that pressures from domestic sources may force early and unilateral revaluation of the yen.

But before resorting to such a drastic move, the Japanese Government is more likely to ease rigid restrictions on foreign exchange movements. Some financial experts comment that this may be what the Bank of Japan may be doing now to some extent by not intervening.

Reuter adds: THE JAPANESE Cabinet to-day formally approved a plan to liberalise the imports of 20 items from October 1, a cabinet spokesman announced. The measure will reduce the number of items on Japan's import restriction list to 40. This compares with West Germany, which retains quota restrictions on the imports of 39 items, the spokesman said.

The 20 items include steam turbines, electronic telephonic and telegraphic switchboards, and switch units for digital-type electronic computers. Further liberalisation moves are expected by the end of March next year.

Meanwhile, American and Japanese officials meeting in Washington have agreed to start bilateral talks on ways to redress the imbalance of trade between their two countries as a preliminary step towards an international currency agreement, informed sources said. The negotiations are expected to get under way this week.

Taiwan

In Taipei, there were reports that the U.S. and Taiwan have failed to reach an agreement on limiting Taiwan's export of non-cotton textiles after two days of bilateral talks here.

Egypt marks anniversary of Nasser's death

BY OUR OWN CORRESPONDENT

CAIRO, Sept. 28.

THE MAGIC of Nasser still grips the Egyptian people. From early this morning hundreds of thousands of workers, office employees, students and officials, chanting "Nasser, Nasser," converged on his tomb in the Kubry el Qubbah suburb of Cairo to mark the first anniversary of his death.

Police had halted traffic and attempted in vain to control the swarming crowds carrying banners and switching their chant to cries of "Nasser will live for ever" and "we will always remember Nasser." Inside the gleaming pale ochre mosque, which is Nasser's mausoleum, the tomb was completely submerged in flowers and wreaths.

The late President's wife and children were the first to enter the dim burial chamber. They were followed later in the day by diplomats, officers from the armed forces, political leaders and workers delegations. The police marched to the mosque led by Interior Minister Mamdoug Salem and later in the morning the armed forces paraded through the streets, with War Minister General Mohamed Sadek at their head.

In the main article in Al Ahram, chief editor Muhammad Hassanein Heykal, recalled memorable occasions in Nasser's life. Heykal related that in February, 1968, during a time of student riots and general unrest the then Soviet Ambassador, Sergei Vinogradov suggested to Nasser that the Soviet Union would help him escape should there be an uprising. Nasser told Heykal afterwards that he had never felt so insulted and was on the point of striking the ambassador but realised that he meant well. He explained to him that he would never die outside Egypt.

Israel said to want talks

By Our Own Correspondent

TEL AVIV, Sept. 28.

ISRAELI Foreign Minister Aba Eban is likely to propose "Rhodes style" talks between Egypt and Israel in his address to the UN General Assembly on Thursday, according to a Jewish Telegraph Agency report from New York. The report claims that Mr. Eban revealed this during a closed meeting in New York yesterday with 200 leaders of Jewish communities.

The talks would be under the chairmanship of UN special envoy Dr. Jarring and would be free to discuss all subjects.

The 1949 armistice arrangements between Israel and the Arabs were negotiated on the island of Rhodes in the beginning without an actual meeting between the two sides which however did stay in the same hotel and finally met for the signing of the requisite documents.

India-USSR striving to 'prevent war'

MOSCOW, Sept. 28.

SOVIET Premier Alexei N. Kosygin said to-day Russia and India were "pooling their efforts" to prevent war on the Indian sub-continent. Mr. Kosygin said it was the responsibility of the Pakistani Government to devise an "early political settlement in East Pakistan" to lower the level of tension in the region.

Such a settlement, Mr. Kosygin said at a luncheon for Indian Prime Minister Indira Gandhi, would "... eliminate the threat of further aggravation of Pakistani-Indian relations.

"At this crucial moment," he added, "we address a call to President Yahya Khan (of Pakistan) to take the most effective steps for the liquidation of the hotbed of tension that has emerged." The Soviet Government, he said, viewed developments in East Pakistan with "anxiety."

The Soviet Premier referred to the Soviet-Indian co-operation and assistance treaty of last month and repeated that the pact was "spearheaded" at no one.

AP

ALGERIA

Business looks to Europe

BY ROBERT GRAHAM

WITH the special relationship between Algeria and France, running out, this month's Eighth International Algiers Fair has been of special interest.

The fair has been a test in more ways than one for the Algerians. Having decided 18 months ago to upgrade the event and resite it at a cost of $22m. (largely paid for by Chinese aid), it was a moot point whether enough countries would participate and whether they would do so for other than prestige purposes. It was also—which is more important—a test of whether Algeria's potential trade partners, particularly European, American and Japanese companies, treated the country's ambitious development programme seriously and whether *they regarded Algeria as no* longer an exclusive French preserve.

Encouraging

On both counts the results must have been encouraging for the Algerians. With a few exceptions there was little flag-waving among the 35 countries represented. Granted there was a constant flow of trade delegations from Arab and African countries, a concert given in aid of liberation movements, and prominence accorded to the Palestine pavilion. But the overall emphasis was on business first and politics second, and this included the development of relations with the Soviet Union. As for the idea that Algeria remains a French preserve, this seems to have been well and truly dispelled. Encouraged by the deterioration of Franco-Algerian relations following President Boumedienne's oil nationalisation measures in February, the fair brought a large *number of newcomers. From* now on it is certain that international competition will stiffen for contracts in Algeria.

The principal competition for Algerian contracts is now coming from West Germany, the U.S., the U.K., Italy and Japan —probably in that order. Britain participated this year for the first time since 1964 and had its own pavilion: while the Japanese made their first appearance. Although the U.S. has no diplomatic relations it was careful to have a commercial delegation at the fair for the last five days, and a number of American companies had individual stands. There was also a strong showing from the East European countries and China, clearly anxious to gain a foothold.

The superficial line-up of countries present could have given a misleading impression of Algeria's trade pattern and preferences. West European countries and the U.S. together supply over 70 per cent. of the goods and take almost the same percentage of Algeria's exports. France for its part is still re*sponsible for between 43 and* 45 per cent. of total trade. Eastern Europe on the other hand is only responsible for 15 per cent.

In the Middle East, Algeria is second only to Iran as an importer of Western goods. Last year Algeria's total imports were worth $1,200m. and this year they will be in the region of $1,400m. The rapid expansion has been due exclusively to imports of capital goods to build up industry under the Four Year Plan (1970-73). In the private sector and on consumer goods there has been a ruthless cut-back—so much so that it is almost a year since any cars were imported.

In this climate of consumer austerity and industrial expansion it is not surprising that the fair should this year have concentrated on industrial plant, agricultural machinery and machine tools.

There were 32 British companies exhibiting. Some were testing the market for the first time; others have been involved in Algeria for some years. Preliminary estimates suggest that over £200,000 worth of business was done and there is the prospect of double this in follow-up orders. There was also a general consensus that exhibiting had been a worthwhile exercise.

However, it was often difficult to gauge Algerian preferences for much of the equipment on display, both in the British pavilion and elsewhere. Virtually all the machinery in the Fair was bought up because of the scarcity in industrial and agricultural equipment that has resulted from the country's tight import policy.

The difficulty of obtaining an import licence is a particular worry among importers. Although this is recognised as a short-term problem caused by the French oil embargo and its adverse effects on the Algerian payments situation, it is nevertheless a sore point. A number of exhibitors at the fair were uncertain whether they would obtain licences for orders taken at the fair, in particular those from private companies.

Of equal concern has been the way the Government, in taking over control of imports, has been switching around its monopolies policy. The bulk of all the goods on display at the fair came within the monopoly of the State mechanical construction concern, Sonacome. Until just before the fair any order for industrial or agricultural machinery had to go through Sonacome, even if placed by other State companies. This was time-consuming and usually complicated by customs delays. A new ruling has allowed State companies to place their own orders, provided the monopoly concerned has granted permission.

The problems viewed from the Algerian side are primarily about the trade balance. The trade deficit has become significant, moving from $70m. in 1969 to $300m. last year. This year it is expected to be of the same order; and with the French oil dispute still partially unresolved Algeria has yet to obtain the hoped *for oil price increases or* keep production at the same level. It is estimated that reserves cover roughly two months imports at present.

Given the fact that the principle of a settlement in the oil talks is now accepted, Algeria's *medium- and long-term financial* position is strong. Nevertheless, the trade balance will continue to be unfavourable so long as the Government pursues a massive industrialisation. Thus new outlets for Algerian exports are being sought as well as means to widen the scope in existing markets. For instance a study is being made, as a result of an agreement between the U.K. and Algeria, on possible export opportunities in Britain.

Algeria has also begun to cultivate a number of its African neighbours. But neither here, in the Arab world nor in Eastern Europe does the Government see profitable markets. Western Europe is expected to continue as the principal client for oil and the best likely customer for wine. Thus it is towards the European Economic Community, and to a *lesser extent Spain, Austria,* Switzerland and other EFTA countries that Algeria is turning more and more. The EEC is regarded of paramount importance not simply as an outlet for agricultural goods but also as a taker of surplus labour and a source of economic and technical aid.

Orientation

But now that *preferential* tariffs between France and Algeria have been abolished, the French could wring *special* concessions from the Algerians from within the Community. Italian objections are being softened, it seems, by careful Algerian cultivation and opportunities for Italian contractors in Algeria.

If Algeria can reach an agreement with the EEC this will confirm a trend. The country's economic direction is pointing more and more towards Europe, giving it a Mediterranean orientation rather than Arab or African. With the continued *emphasis at the political level on* ties with the Arab world, on distrust of imperialism and on support for liberation movements, it is difficult to tell whether this direction is being sought consciously. But whether deliberate or unconscious, it will now take a profound change to alter this course.

Indian Ocean probe

BY OUR OWN CORRESPONDENT

NEW DELHI, Sept. 28.

THE INDIAN Government has asked its intelligence agencies to investigate reports on the formation by the Soviet Union of an "Indian Ocean fleet."

This follows a letter from a Swatantra Party Member of Parliament Mr. K. C. Panda to the External Affairs Minister Mr. Swaran Singh claiming he had information of a Russian naval presence in the Indian Ocean consisting of at least 20 ships including cruisers and destroyers. Mr. Panda enclosed photographs of ships.

The Ministry said that it was not aware of any Russian naval base in the Indian Ocean. This is in line with the Government's denial in Parliament a few weeks ago of reports that berthing facilities had been provided to Russian submarines in south India.

Malaysia holds 100

BY OUR OWN CORRESPONDENT

SINGAPORE, Sept. 28.

MALAYSIAN security forces are reported to be embarking on the final stages of a mop-up operation launched unexpectedly on Saturday against Communist sympathisers in areas north of Ipoh, the centre of the richest tin mining region. The town, about three months ago, was the scene of unexpected Communist ambushes which resulted in the death of five soldiers.

A 24-hour curfew was clamped in the early hours of Saturday and a combined force of 1,000 police and military personnel scoured the area to pick up known Communist sympathisers and seek out other supporters.

The curfew was relaxed from dawn to dusk for the first time to-day. Military sources reported about 100 suspects had been detained for interrogation.

The Technical Page

EDITED BY ARTHUR BENNETT AND TED SCHOETERS

● INSTRUMENTS

Designing for a real need

WITH a European market for *instrumentation of between* £200m. and £250m. a year on its doorstep, Kent Instruments *yesterday showed an array of* new equipment and updated recent designs—all under the *title of flow technology—in*tended to make its presence felt there.

Kent Instruments already can claim to be the leading European company in this area, but it is *not seeking to impress customers* by vast advances on the technology front. According to the *managing director of the com*pany, Mr. A. J. Moores, the strategy is to present improvements in quality, hand in hand with price reductions, to industrial users who are among the most conservative of any.

The company now is in a position to cover many contracts entirely from its own repertoire of instruments and is providing *customers with an important aid* to selecting the route they want their designers to take. This is a manual *presenting technical in*formation on the performance of the various ranges of flow *measuring equipment, magnetic,* mechanical and so on From this, company design staff can select the equipment which best fits their requirements.

Kent decided to produce this *unique guide because its* engineers realised some time ago that users were relying too *heavily on them, even though it* is quite impossible for any instrument engineer to know in *detail every aspect of the process* work in which his products will be involved.

"Guide to Flow Devices," which has made a genuine attempt to be dispassionate, should be on every plant designer's shelf. Its production *is along the lines of the company* philosophy of identifying "real needs" of clients.

One of the most important new instruments to be revealed yesterday is an insert detector *head which can be placed directly* in a pipeline to make a direct measurement of the flow of *liquids or slurries which are* electrically conductive.

The measuring unit consists of a polypropylene tube coated with synthetic rubber, inserted in the pipeline. Coil windings built in*to the tube provide a magnetic* field across the bore of the tube. As the fluid flows, a voltage is *generated in it which is collected* by two electrodes and measured by the Veriflux converter unit. The whole equipment takes up less space than former designs and will measure flow to within 1 per cent. of full-scale reading.

● PRODUCTS

Applying correct torque

THE *SAME* torque *can be* applied to nuts whether they are tightening steel to steel, or zinc to rubber *by use of a torsion* spring nut-runner.

Ordinary air-driven wrenches are likely to tighten "soft" joints more than hard ones. However, the torsion spring model made by the Power Tool Division, Rockwell Manufacturing Co., 410, Lexington Avenue, Pittsburgh, Penn., U.S., *is said to* be accurate to within 2 per cent. on either kind.

The wrench head is driven through a large coil spring which absorbs the residual energy in the *shaft*. This, by taking up the torque gradually, makes all joints appear "soft" so the machine can be set when made for a certain torque on any joint. The nut runner operates on 90 lbs. of shop air and torque can be set between 10 and 35 foot-lbs.

● HANDLING

A simple gauge of volume

A DEVICE that will drastically reduce freight handling revenue losses, in addition to speeding up the reception and costing of smalls and parcel traffic, has been developed by Software Engineering, Chipper Lane, *Salisbury*.

Although many kinds of weighing devices are available, *there is a need for a convenient*, low-cost method of obtaining the linear dimensions of a package *and hence the volume. Hither*to, reliance has been placed on the consignor's figures for volume, or charges raised on a weight basis only, which has led to an estimated 10 per cent. loss of revenue to shipping companies and freight agents.

The real requirement is apparent when it is realised that it is not the true volume that is usually needed by the carrier, but rather the space that the item will occupy in an aircraft or maritime container. For a box or crate the two values are identical, whereas for an irregularly contoured item they will not be.

Software Engineering's invention is simplicity itself and mathematically proven. Instead of offering a measuring instrument to the item to be dimensioned, the item is presented to *combined measuring and com*puting graphs. These can be mounted on a platform, a weigh*ing machine or stand alone.*

Two "walls" containing the graphs are arranged mutually *at right angles, the units and* layout employed being specified for any particular use. The result is obtained in one operation and there are no time-consuming calculations or inconvenient measurements involved.

Items to be measured are placed in the common corner of the device. The handler (who normally has to wait for the indicator of a normal weighing machine to settle before accurately ascertaining weight) *merely uses this time to look* along the edges of the item to be handled. The volume, or the *volume weight, can thus be read* directly. This data can be manually recorded, entered on a keyboard for printing on a tally roll, or fed directly into a processing system.

● COMMUNICATION

Advanced telephone exchange

DIRECT dialling of any internal extension by an outside caller is one of the unusual facilities provided by the new 6,000 line telephone exchange installed at *County Hall for the Greater Lon*don Council by Swedish Ericsson Telecommunications.

This *is the first direct in-dial*ling exchange that the company has installed in the U.K., and it *allows the vast majority of in*coming calls to be made without the intervention of the operator. Thus, it allows operating staff to *be reduced, in this case by about* 50 per cent.

In all, 192 exchange lines are used in the system, which replaces existing manual switchboards with a capacity of 3,000 extensions. This is estimated to *be about 70 fewer than would* be required with a conventional PABX system, thus saving con*siderably on line rental. In addi*tion, according to Mr. Arthur Parr, technical manager of Ericsson, his *company's system is* about 10-15 per cent. cheaper than the equivalent PABX.

Space is also saved. When alternative types of exchange were examined by the GLC, it was thought that the installation would occupy all of the basement and most of the ground floor of the telephone area in County Hall. As it is however, all the exchange equipment has been comfortably installed in the basement area, and still leaves room for a planned extension which will serve a further 600 *lines*.

Another useful feature of the system is that if an internal *caller rings* another extension and it is engaged he replaces his receiver and is then warned by *a special tone when it is free.* Even if by then he is on an outside call, he gets the tone over *his conversation*.

The exchange equipment is a mixture of electronic and electromechanical components, electronics being used where fast response is needed. But it was found that using relays, for example, where appropriate, resulted in considerable savings.

● *By agreement between the Financial Times and the BBC information from The Technical Page is available for use by the Corporation's External Services as source material for its overseas broadcasts.*

● ELECTRONICS

Generates characters for display

THE increasing use of light emitting diode displays in equipments such as desk top calculators and computer peripherals has given rise to the need for *suitable character generators.* Motorola Semiconductors of Empire Way, Wembley, Middlesex, has as a result now put on the market an MOS device, type MCM 1131L, that can supply a 2 mA output current, eliminating output amplifier transistors ordinarily required for interfacing to TTL logic in the display system.

The circuit, which has a maximum access time of 500 nanoseconds, consists of an address decoder, a read-only memory matrix, column select logic, and output buffers.

The 2240-bit ROM stores the patterns needed for the 64 different characters. Each character is composed of a 5 x 7 bit matrix, of which the logic "1" bits define the character, while the "0" bits blank the background. When a specific 6-bit address is applied to the generator and decoded, a scan is initiated which sequentially interrogates the five columns of the selected character matrix.

At the *outputs* a set of five sequential voltage patterns is obtained, each representing the *seven illuminated elements of a* particular column. This set of five produces the complete character.

● OFFICE EQUIPMENT

Plans made to size

NO LARGE drawing office can afford to disregard the economic argument *Rank Xerox* is putting forward for a new plan and document printer, the 840, which is to be launched at the Business Efficiency Exhibition next week.

This machine, to be produced in quantity in Britain for the European markets, will take opaque or translucent originals up to A1 size (24 x 36 inches) and turn out prints in large numbers for distribution on ordinary paper.

Prints can be in sizes from 13 x 18 inches down to 8 x 10 inches and push-button selection *of same-size reproduction* or 70 per cent. and 50 per cent. reduction permits original and copy *sizes to be matched to meet any* requirement.

A3 size prints can be auto*matically folded on or off-centre* and an on-line sorter with 20 bins in its standard form (but *50 if required) will collate* folded A3 sheets or single A4 sheets.

Speed is *respectable*, A4 prints being turned out at a rate of 40 a minute and A3s at 20 a minute.

Prints can be made with this equipment in a most convenient form and the clarity of reproduction even in the smallest reductions is of the highest order.

The machine operates on the xerographic principle and since it does not rely on transmitted light, drawings can be amended by simple superposition of the corrected section which then can be copied on the printer for updating standing plans, etc. The reduction available with this equipment will solve many mailing problems.

● DATA PROCESSING

Japanese punches for U.K.

CRB International, through its unit record equipment sales and maintenance subsidiary DPFM, is marketing new 80 column punch *card equipment from* Japan.

These new machines are manufactured by the Juki Industrial Company Tokyo, and are industry-compatible. Juki is a well established and highly experienced machine manufacturer. CRB engineers and sales staff have recently attended training and familiarisation courses at Juki in Tokyo, and further training has already taken place at DPFM's factory in Colnbrook on several machines.

The machines are priced lower than competitive units and are deliverable from European-held stocks, depending upon quantity, in approximately three weeks.

After-sales maintenance and *support services will be provided* by DPFM, supplemented in some areas by the maintenance services of Computer Field Maintenance. CFM was formed as a CRB subsidiary in 1966, but following recapitalisation in 1969, CRB now only hold a minority shareholding. Both maintenance companies are familiar through their current contracts with the maintenance of comparative IBM and ICL unit record equipment.

Hands over to the experts

A RESEARCH report on the U.K. market for facilities management *including some pointers on U.S.* experience has been produced by M. J. Bevan, Bancroft Court, *Hitchin, Herts.*

This form of computer operation involves ownership and running by an external service company under contract of all, or a significant part of, the computer services previously supplied from an internal computer department.

The potential value of this business in the U.K. over the next two or three years will be £15m. with a gross market of *£500m., the company thinks.*

To ensure that research was completely objective, M. J. Bevan commissioned independent interviewers, P.M. Associates, to conduct the surveys. Only when the report was completed did M. J. Bevan make a decision to offer a service of this type.

Traditionally, the chief objection to computer facilities management has come from both general and data processing management unwilling to delegate control of a vital part of their company's operations—plus the vast financial resources—to an external contractor.

It is an objection that has not till now been overcome and it is probably the chief reason why, after years of controversy, facilities management is an embryonic business in this country.

Meanwhile, M. J. Bevan expects to sign up its first big contract *of this kind just about the turn* of the year.

Reads two pages at one go

NCR has added a two-page microfiche reader to its Microform Systems range of equipment. It is designed for viewing oversized charts and diagrams, or where two pages of related material appear on the facing pages of a book. The generously proportioned screen measures nearly 20 inches wide by 13 inches high. COSATI fiche, industrial fiche and computer printout, in *any of four fiche sizes,* can be accommodated on the standard model and there is a broad range *of magnifications available to* match the fiche.

Automatic coarse focusing, automatic *opening of the fiche* carrier and two-level lighting control to compensate for differences in ambient light, are features of the "800," and the design of the screen permits long periods of viewing without strain.

The 800 Series reader is a precision instrument, but the construction is simple and rugged for long, trouble-free usage—an occasional replacement of the fan-cooled, high silica halogen lamp is almost the only maintenance necessary.

● CONSTRUCTION

Big mobile compressor

PRODUCTION of the biggest portable air compressor it has ever made has been announced by Ingersoll-Rand.

Called the Spiro-flo II, it has a capacity of 2000 cfm at 150 psi. It has a reserve cooling capacity, dual engine exhausts to lessen noise and is designed for easy servicing.

Gross weight of the compressor is 25,500 lbs. Overall length is 23 feet, width 7 feet 8 inches, and length 9 feet 9 inches.

Road drills get quieter steels

SIGNIFICANT reductions in the noise generated by the bit of a road drill hitting a hard surface are achieved with a range of breaker steels developed by the CompAir Group of *companies.*

All the three steels in the range have a collar made of an elastomeric material which effectively damps vibrations generated by the point hitting a *surface*. Measurements have shown that, using a muffled drill and one of the new steels, there is an effective noise reduction of 7dBA in respect of the pointed steel. When an unmuffled drill is used the reduction is 10dBA.

In addition, user tests have shown that there is significant reduction and recoil, making the drill easier for the operator to handle.

This achievement follows on two *previous developments by* the group aimed at making road *breaking operations quieter.* First of these was a range of effectively silenced portable compressors, *followed* by exhaust mufflers for both rock drills and road breakers.

Teesside terminal progress

JUST short of the half-way mark in expenditure estimated to reach a total of £2.8m., the first phase *of* a vast liquid bulk storage terminal has been inaugurated by Simon Engineering at Seal *Sands on the Tees.*

Spending to date is over £1.3m. and has resulted in the provision of a major terminal, *on* 12 acres of land, able to accept and store 15,000 tons of liquid sulphur which must be kept at [illegible] degrees C, and 38,000 tons of general chemicals and petroleum products. *Equipment is also* on hand for automatic transfer of liquids between ships and *storage tanks and from these* to road tankers or by pipeline to adjacent chemical plants.

At the two jetties on the river ships of 25 feet draught can berth at low tide and at high tide 33 feet draught can be accommodated. Jetty 1 is for up to 30,000 tonners and Jetty 2 for vessels to 5,000 tons.

Big as it is, this first phase will be dwarfed by the complete project which, by 1975 will be capable of taking a *further* 150,000 tons of mixed chemicals and petroleum products. A further 18 *acres* will be recovered from the river bed from areas submerged at high tide.

● AUTOMATION

Digital knitting on tape

A METHOD of pattern control for automatic knitting machines has been developed by Racal-Thermionics, of Hythe, Southampton, Hants, using a T7000 tape handler as the main controller. The system analyses the pattern, previously prepared by the design artist on squared paper using authentic colours, and converts this analysis to digital format, finally recording it on magnetic tape. In production, the information is read from the magnetic tape and used to control the knitting machine via a specially designed interface.

Data is recorded in blocks numbered consecutively from one end of the tape to the other. *In forward running,* information is read from even-numbered blocks, in reverse from *the odd ones.*

There is an appropriate "end of tape" signal to reverse the tape which *thus runs* continuously backwards and forwards simulating the action of an endless loop and providing a continuous production cycle. A packing density of 800 bits per inch makes it possible to produce up to 15 metres of free pattern on one tape.

Racal claims that the system is suitable for a wide range of applications that require a continuously changing of data such as machine tool control, carpet manufacture and textile processes of all types.

INDUSTRIAL RELATIONS: THE NEW ACT—2

Registration—a key issue

BY JOHN ELLIOTT, Labour Editor

REGISTRATION of trade *unions lies at the centre* of the Government's *industrial relations policy*, and is aimed at maintaining stricter control than has been *possible* in the past over unions' rules and on how these rules are followed—or disregarded. There are also parallel requirements for the registration of employers' associations, but the main impact will be on the unions.

Registration is a key issue because if unions which are not *registered*, dubbed mere "*organisations of workers*," do not have the *financial*, legal and industrial rights and privileges accorded to registered unions. From an employer's point of view it is also important, because the lack of these advantages will, to a considerable extent, govern how a *union* behaves.

Advantages

Prior to the new Industrial Relations Act, most unions registered with the Registrar of *Friendly Societies*—as did some, but not many, employers' associations—under the Trade Union Acts, 1871 to 1964.

The advantages and disadvantages of this earlier registration were very limited. The main advantage was that registered unions enjoyed tax exemption on provident benefit funds—worth up to about £800,000 a *year for a large union like* the transport workers.

With implementation of the registration section of the Act, the office of the Chief Registrar of Trade Unions and Employers' Associations is set up and three main registers are created: one provisional (for a transitional period), one permanent, and one "special" *permanent register for organisations* which because of their *company or chartered status* cannot be included in the main one.

All the unions and employers' associations on the old register are automatically transferred to the provisional register—from which the TUC has told them to withdraw immediately, in line with its *policy* of *non-co-operation*. While unions are on this provisional register, they will *enjoy the financial and legal* advantages of registration. But they will not yet enjoy the full industrial advantages of permanent registration—for example, securing statutory bargaining units and agency shops. On the other hand, they will not generally have to abide by any of the new controls.

Unions not on the old register, like the public service unions, which wish to register can either apply within six months to go on to the provisional register (and will only have to satisfy the Registrar that they are trade unions), or can apply to go direct on to the permanent one. *Without requiring any* application, the Registrar will transfer unions from the provisional to the permanent register once he is satisfied that they are eligible according to the basic requirements of the Act.

These requirements are that *the union be an* "independent organisation of workers" which has the power "without the concurrence of any parent organisation to alter its own rules and to control the application of its own property and funds." An extension of this, stating that it must also have control over property and funds of "its branches and sections," *was dropped by the Government* during the Parliamentary stages to allow the inclusion of, for example, the National Union of Mineworkers and some employers' associations which do not have such control over their somewhat independent area organisations.

Independent

These requirements leave fairly open the position of "*house unions*," *or staff associa*tions, which are often not fully independent *and could be said* to be employer-dominated. Obviously an association, say within a bank or insurance company, which relies for its existence on a subsidy from its company, will not be able to register. But how "independent" such an organisation has to be is not clearly *defined beyond meaning* not "dominated" by an employer.

Most companies help trade unions to operate—and are encouraged to do so in the Code of Industrial Relations Practice—by providing free facilities in offices and factories: obviously this would not be regarded as impairing a union's independence. But many staff associations depend on such facilities for their very existence.

Where the line between the obviously independent union and the dependent staff association falls is not defined by the Act and will have to emerge in case law. It is an important point, because non-registered organisations *cannot be parties* to statutory bargaining units. Thus *an employer with a staff* association which does not qualify could find it being ousted by a registered union.

Struck off

The automatic transfer from *provisional to permanent* register lasts for a period of six months from entry on to the provisional register after which time, *if* the union or employers' association has not changed its rules to make it eligible, it will be given a further six months' notice that it will be struck off. *But if the Registrar is satisfied* that the organisation is trying to make the necessary rule changes he can allow it a longer period. It is envisaged(ignoring the unions' non-registration policy) that the provisional register may therefore need to be kept in existence for two years.

In fact these eligibility *requirements are very basic* and introduce few, if any, new controls. The real test comes at the next stage, when unions have arrived on the permanent register and the Registrar examines their rules to see if they are in line with the requirements of the Act.

If they are not, he will tell the union what changes he wants—giving them as long a time as he thinks fit to conform. If, finally, they do not make the changes (or if later they stop being eligible) he can apply to the National Industrial Relations Court to have them thrown off the register—he does not have the power to oust them himself. Similarly, a union which feels the Registrar is wrongly asking for rule changes can apply to the NIRC to have its rules approved.

Some unions' rule books strictly control the times at which they can call rules revision conferences. In order not to delay either transfers from the provisional to the full register or approval of rules, the Act provides that such controls can be waived and rules revision conferences called immediately to help the unions *conform*.

It is expected that most *unions will have to make some* rule changes and it could be three years or more (leaving the TUC policy aside) before the initial work resulting from the new legislation is completed. To help unions, the Registrar might publish a set of model rules interpreting the Act's *fairly broad requirements*. In fact many of the requirements are in line with those previously advocated by the TUC.

The Act lists over 20 main requirements in one of its schedules on what items union rule books must cover—including precisely who has authority *to call a strike. This is an im*portant requirement since the Act outlaws strikes (traditionally dubbed "unofficial") called by unauthorised people or bodies.

The schedule also covers election of officers and shop stewards, ballot procedures, *definition* of workers *eligible* for membership, disciplinary *matters and appeals, and invest*ment of union funds. But it only lays down what items must be covered. It does not stipulate what the rules should say: whether, for example, all officers or just top officials can call strikes.

But the broad requirements are amplified by various clauses in the Act, which set down the *important guiding principles for* the conduct of unions and employers' *associations*. For instance, while the schedule only requires the rule book to define who is eligible for membership (leaving it open to a union to practise all types of discrimination). Clause 65 says that a union should not practise "any arbitrary or unreasonable discrimination" against a suitably qualified worker wanting to join—bearing out the individual's right to join a union of his choice.

Similarly, while the schedule requires rules to cover the organisation of a ballot, Clause 65 says ballots shall be secret and that any union member shall have "a fair and reasonable opportunity of voting without interference or restraint." Clause 65 is also specific about those instances in which disciplinary action should *not* be *taken against union members*—for example, if the member re*fuses to take part in an unfair* industrial practice or in a political *strike*.

It should be noted that while these requirements have to be satisfied by unions before they are confirmed as being on the permanent register, non-registered organisations are also expected to abide by them.

Once a union is established it can *be thrown off the register* by the NIRC on application *from the Registrar if it is no* longer eligible, or if it does not change its rules in accordance with the Act's requirements, or if it persistently refuses to comply with other requirements of registration such as submitting annual financial returns.

Basic rights

While a union is on the register, a member, a past member, or an individual who *is being denied membership*, can appeal to the Registrar claiming that the union has either infringed its rules or his basic rights in connection with the Act's guiding principles.

There is a time limit for such complaints—roughly four weeks from the time of the alleged unfair action—*but the Registrar* can defer complaints which *have not gone through the* union's procedure and can also reject those which are "frivolous or vexatious." But if the application is "well founded" the Registrar must try to promote a settlement. If he fails and the case has not already been referred to the courts through the unfair practices procedure, he can refer the matter to the NIRC or to the Industrial Tribunals which can rule on the rights of those involved, or award compensation up to a maximum of *£4,160*, or the NIRC can order those in the wrong to desist.

Complaints

The original complaint to the Registrar can only be made, *if* these procedures are to be used, by the person *involved* and *not* by a third party. (This restriction *was introduced by the* Government during the legisla*tion's Parliamentary* stages to prevent, for example, opponents of a union's leadership or "professional complainers" from constantly trying to disrupt a union's activities.) But there is nothing to stop a third party making informal complaints to the Registrar, who could then *take the matter up officially* himself, if there has been a serious or persistent breach of the union's rules or the Act's guiding principles.

There is also provision for the person involved in an alleged breach of union rules or of the Act's guiding principles to go direct to the Industrial Tribunals—whether or not he *has first approached the Regis*trar—for one of the three remedies already mentioned. This is one of several cases where the Act favours registered unions, because whereas only the person allegedly wronged can take a registered union to the ITs, anyone, whether directly involved or not, can complain against an unregistered "organisation of workers." This is in fact the *only course of remedial action* for the member of an organsation which is outside the jurisdiction of the Registrar but which is still expected to obey its own rules and follow the Act's guiding principles.

To return to registered unions: the Registrar can *initiate his own investigation* where he suspects there has been a "*serious*" or "*persistent*" breach of a union's rules or the Act's guiding principles. If he finds there has been a breach he must try to end it and to mitigate its effects. But where he fails to do this he can again go to the NIRC (*but* not the ITs because this would probably be a *serious* case *not* just affecting one individual) *for an order telling the union* what action is required.

It is these sorts of powers vested in both union members *and in the Registrar to object*, outside the union's own appeals machinery, over the way in which a union is behaving that has made registration an extremely contentious issue for the unions.

The many advantages for a registered union and the ways in which the Act quite deliberately discriminates against the non-registered crop up time and again throughout the legislation. The *only positive* advantage to the unregistered is that they remain outside the Registrar's control—probably at considerable expense both to themselves and their members.

The right to belong to a union and to take part in its affairs (irrespective of an employer's *wishes*) for *example*, only applies to a member of a *registered union*, while the right not to belong applies to people resisting membership of both registered and non-registered unions (unless there is an approved closed shop, which in any case can only be secured by a *registered union)*.

Only a registered union can *use the Act's provisions* for obtaining agency shops and bargaining units and for ensuring that employers pass over sufficient company information to union negotiators.

A non-registered organisation can be liable to unlimited compensation in the courts instead *of the scale of up to £100,000* fixed for registered unions. It also has no right to organise industrial action leading to a breach of contract of employment (unlike the authorised official of a registered union). This is the main loss at law of not being registered and takes away from unregistered organisation the legal immunity traditionally *enjoyed by unions* under the 1906 Act. And whereas officials of registered organisations, providing they are authorised, cannot be named in any legal action, officials of non-registered organisations can be personally liable, in addition to the organisation itself.

Finally, the non-registerec organisation does not have *ɛ registered union's traditiona* immunity from tax on members *benefit funds, although it migh* be possible for unregisterec *unions to set up independen* trust funds which could enjoy *tax exemption*.

The idea of the "special" register was adopted by the Government during the legisla tion's Parliamentary stages in order to enable the professiona institutions to continue to cater for their members, since tradi tional unions, currently recruit ing white-collar workers, coal use the Act's provisions to tr to oust those institutions fron collective bargaining.

Special status

The "special" register wil look after organisations which *before the Act came into force* were established as limite companies (like the Britis Medical Association) or bodie with Royal Charters (like th Royal College of Nursing) an which, to maintain their statu cannot meet the basic definitio of a union—that its main fun tion be the *regulation of rel* tions between employers an *workers*.

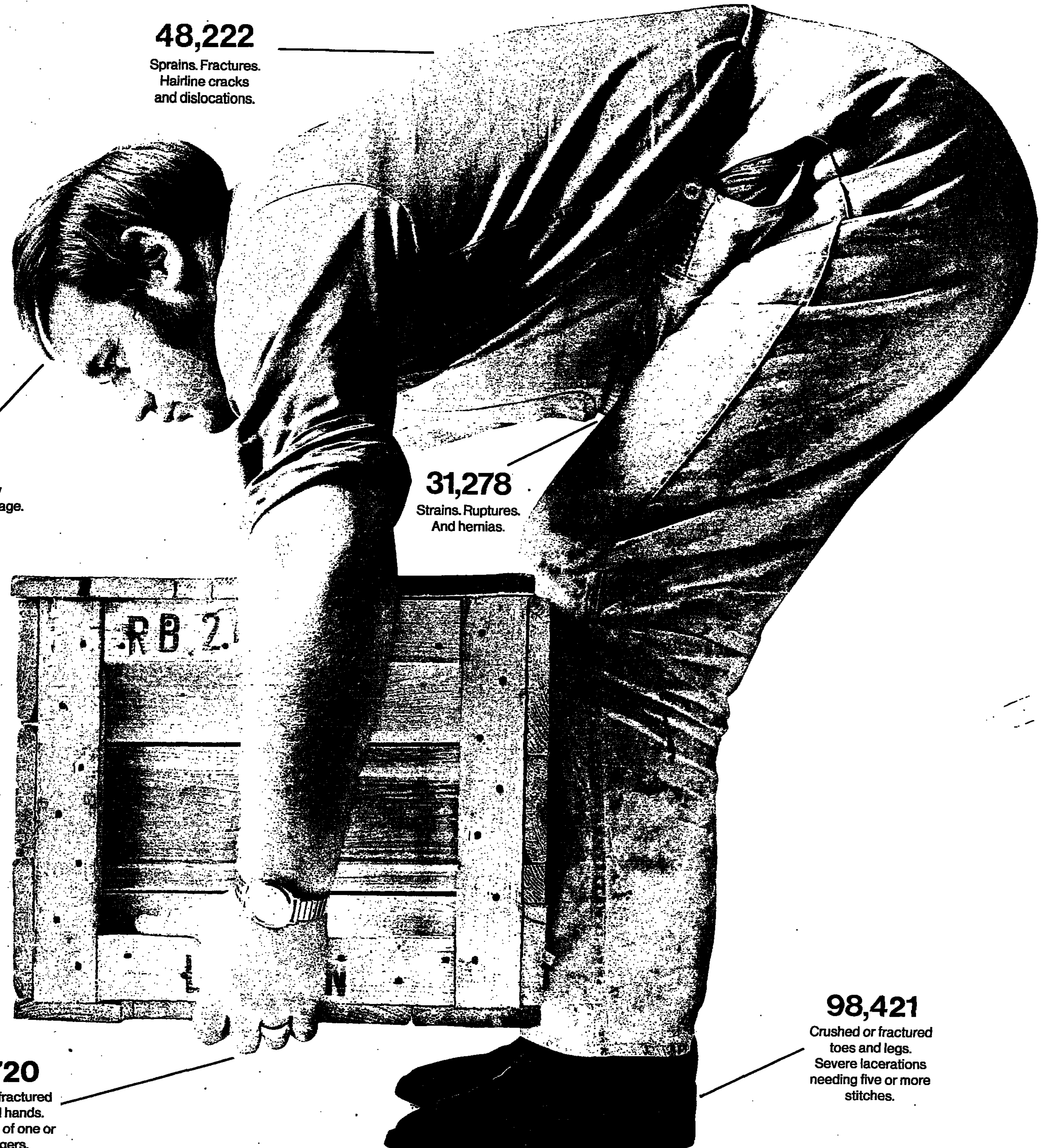
Nevertheless, organisation like the BMA and RCN *do pe*r form this function, even thoug as a subsidiary to their mai pre-occupations. The Gover ment felt it would be wrong t force these organisations t abandon their special stat which carries financial advan ages and prestige. Since the *provisions apply only* t chartered institutions or organ sations established as co panies before the Act came int force, there is no chance of ne organisations claiming th "special register status."

The effect of "special registration will generally t the same as full trade unio registration, except that the is no facility for provision registration and no requir *ments for keeping and repor* ing membership and accoun under the Act; these a covered in other legislation.

To-morrow—Union Membersh and Organisation

هكذا من الأصل

It's not only strikes that cripple British Industry.



48,222
Sprains. Fractures. Hairline cracks and dislocations.

24,684
Severe lacerations. Fractures. Temporary and permanent eye damage.

31,278
Strains. Ruptures. And hernias.

98,421
Crushed or fractured toes and legs. Severe lacerations needing five or more stitches.

86,720
Crushed or fractured fingers and hands. Amputations of one or more fingers.

Strikes hit the headlines all last year.

Hardly surprising; they cost us 11 million working days.

But there wasn't a whisper about injuries.

They lost us 23 million working days. Killed 649 people. And, according to official reports, injured another 321,741.

As to the number of injuries not reported, that's anyone's guess.

The Chief Inspector of Factories puts it around 9 to 12 million.

However, on one thing he's certain. 26% of all reported injuries are caused simply by lifting things up and putting them down.

And frankly, not one of those injuries makes sense.

Firstly, because there have been machines to do these jobs for more than a quarter of a century. And secondly, because they can do the job far cheaper.

Which is where we at Lansing Bagnall fit in.

We are Europe's largest manufacturer of electric lift trucks. And can help you cut down injuries and bump up production.

(Something we've done for more firms in this country than anyone else.)

That means doing more than simply renting or selling you the right truck for the job, the way other people do.

We've opened a school to train your drivers.

We have 12 spares and service depots up and down the country, linked by computer.

We run courses for your maintenance men.

And if you'd rather we handle your servicing under contract, we have our own radio controlled service team of over 300 engineers.

In fact, we handle everything that can reduce the cost of moving and storing your goods.

At the same time, we make your factories, loading bays and warehouses safer places to work.

No man should have to risk life or limb just doing his job.

Doug Caswell or Ron Allan are the people to call (Telephone Basingstoke 3131) for more information or for help with any handling problems.

Lansing Bagnall. The last thing we'll sell you is the truck.

Kingsclere Road, Basingstoke, Hampshire. Telephone: Basingstoke 3131. Telex: Bagnallic Bstke 85120.

Joe Rogaly looks at Macclesfield

Territory the Government cannot afford to lose

THERE IS NO doubt that the Conservatives are in danger of losing Macclesfield to-morrow. The only question is whether *their disgruntled supporters,* who are capable of reading the newspapers and watching the television, are sufficiently moved by the prospect of a *resounding* defeat for the Government to come out after all and vote for it.

If enough of them do and the seat is saved, then, however small the majority, the outcome will be proclaimed as a victory for Mr. Heath—and so, by comparison with the forecasts, it would be.

This situation, the existence of which is acknowledged by most people of all parties here, is in itself an indication of the extraordinary depth of unpopularity to *which the Government* has now sunk. For Macclesfield has been Conservative since 1918. The Tory majority at the last election was 10,452. Nobody has ever thought of it as a serious prospect for Labour before.

Diana Jeuda

Nicholas Winterton

Conservatives on defensive

Yet now a Conservative candidate, Mr. Nicholas Winterton, is distinctly on the defensive. A 9.5 per cent. swing to Labour would win *them the seat. This* is less than the 10.1 per cent. swing that won them Bromsgrove (another "natural" Tory constituency) in May, and comfortably less than the 11.4 per cent. swing to Labour in Widnes, 30 miles away, last week.

The national mood apart, Mr. Winterton has to overcome a number of other disadvantages. He faces four opponents. For Labour there is Mrs. Diana Jeuda of whom more in a moment. The Liberals (represented by Mr. Michael Hammond) will be unlucky if *they fail to retain their normal* 8,000 votes or so and could possibly do better.

The two fringe candidates will probably lose their deposits, but one of them, Mr. Reginald Simmerson (Conservative anti-Common Market), hopes to improve on the 259 votes he won at Greenwich in July, 1970—and he has some chance of doing so.

This is not so much because *he has won the support of Mr.* Freddy Millet, captain of Cheshire cricket club, as because there is some unhappiness among Macclesfield Conservatives over the fact that Mr. Winterton, who was passionately anti-Common Market a year ago and distinctly agin' at his adoption meeting, has now become a convert to Mr. Heath's favourite cause.

Opinions vary as to the degree of internal party disaffection that this change of heart has caused but there can be little doubt that Mr. Winterton has *to spend a good deal of time* and energy explaining it away.

He is a blond, square-jawed, rugby-playing young candidate with broad shoulders: a sort of Nordic John Wayne. He speaks rapidly and works energetically. He is for hanging (for certain kinds of murder), favours repatriation (voluntary), and tough measures against *criminals* and also strong government—a law 'n order man through and through.

His audience is mixed. The farmers in the Cheshire hills, and the Manchester commuters who have settled among them, *should* receive him well, although no one can tell how their mood will be affected by the descending autumn mists. In the main towns, and particularly in Macclesfield, he *may not be obviously superior* enough to reactivate the normal instincts of the working class Conservatives who constitute the most important section of the electorate.

Fierce, dark and pretty

It is from this group that Mrs. Jeuda seeks added support, or at least a level of protest-abstentions that would win her the seat. Traditionally, Macclesfield has been the area where the women work in textiles and the men find what employment they can, or go up towards Stockport and Manchester *for* jobs.

Mrs. Jeuda who is 30, dark, pretty, and not a little fierce when speaking in public, is campaigning *for* these votes on issues other than the Common Market. Indeed both parties agree that as a direct doorstep subject the Common Market is now about third or fourth from the top of the list after prices, unemployment and (in some wards) Northern Ireland.

Yet she has declared herself to be strongly against joining the EEC, like the star Labour speakers who have come in to *assist her strengthen this image.*

They include Barbara Castle, Peter Shore, Michael Foot, Fred Peart, Ian Mikardo—all of whom *are on the anti-Common Market* or Left-wing of the party. Mrs. Jeuda's work, as head of the research department of the Union of Shop, Distributive a[nd] Allied Workers has given h[er] every opportunity to supp[ort] her Socialist views with [the] necessary figures.

The extent to which her [pro]claimed allegiances—the Ch[ild] Poverty Action Group, the A[nti-]Apartheid Movement and [the] National Council for Civil Li[ber]ties are attractive to [the] (usually) Conservative work[ing] class of Macclesfield must [re]main a matter for conjectu[re].

The crucial issues

The issues she has sens[ibly] chosen to stress are, of co[urse,] prices and unemployment. [If] prices are the cause of Gov[ern]ment unpopularity everywh[ere] this is especially so in Macc[les]field where many people [fall] precisely into that income g[roup] (too rich for subsidies, too p[oor] not to mind higher char[ges]) that most *feels* the extra co[st of] school meals and prescrip[tion] charges, the abolition of [free] milk, and the impending [rent] *increases.*

Unemployment is no w[orse] than the national average [here] but it is a factor even so[—and] the widespread predictions [of] more of it are naturally da[mag]ing to Mr. Winterton.

Both these crucial issues [are], in his view, intimately bo[und] up with the Common Ma[rket]. People still fear that m[atters] will get worse if Britain [joins] and to this extent at [least] *membership is a major c[ause]* for concern—even though [it] apparently looms less large [than] it did at Bromsgrove.

All this said it remains ne[ces]sary to point out that for an[yone] who is actually in Maccles[field] it seems like a fantasy to ass[ume] that there will be a La[bour] victory: this is, in the pl[ain] way, Conservative territory.

The closing days of the [cam]paign could revive Conserv[ative] loyalties that in the past [have] proved unshakable, it has [hap]pened in other campaigns [and] should, in all conscience ha[ppen] *here. The Government mu[st be]* hoping that it will for th[is is] the kind of constituency th[at it] really cannot afford to los[e].

P.O. opens businessmen's first inter-city TV

BY JOHN CHITTOCK, INDUSTRIAL FILM CORRESPONDENT

[A]FTER FOUR YEARS of investigation and practical experiments, the Post Office yesterday opened its Confravision service—the world's first inter-city television system for businessmen.

With this service, a group of up to five people can have a face-to-face conference via television with a similar group in another city.

At present, the scheme will operate only between London, Bristol, Birmingham, Manchester and Glasgow, but other centres will open if the demand is sufficient.

Rates for using the service range from £120 to £180 per hour, depending on the distances between the two studios employed.

Each of the five cities currently covered has a special Confravision studio—although in the case of London there are two, one in the City at Gresham Street and the other in the new Euston Tower complex.

Any company wishing to use the service can make a booking by telephone, giving at least two hours' notice and specifying the two centres which are to be linked.

Every studio is equipped with a conference table reminiscent of TV discussion programmes. Two side-by-side television monitors show participants in each of the studios.

Operation of vision and sound can be controlled very simply by the chairman at each studio, or by a secretary at another desk off-camera.

A simple rostrum with its own camera is also provided on which diagrams and charts can be placed for visual reference in the discussion.

The entire proceedings can be recorded on tape, and the chairman in each studio can switch out sound or vision at his own end for confidential asides if necessary.

In an experimental run with the system, I spoke from London to Mr. John Roberts, films officer of Rolls-Royce at its Bristol Engines Division.

For this trial, Mr. Roberts in Bristol attempted—successfully—to demonstrate to me the workings of the Rolls-Royce Pegasus engine currently fitted in the Harrier jump jet aircraft.

Using art work that is to appear in an animated sequence for a Rolls-Royce film, Mr. Roberts was able to make me understand the principles of this engine. By telephone, without recourse to diagrams, that would have been impossible.

Micro-wave

The Confravision systems uses black-and-white television, transmitted over the normal micro-wave network employed for broadcast television in the U.K.

Every Confravision studio is identical in design, and has been well furnished with the needs of businessmen especially in mind.

GEC-AEI wins £9m. P.O. orders

ORDERS FOR telephone exchange equipment worth £9m. have been placed by the Post Office with GEC-AEI Telecommunications. The equipment covers Strowger, crossbar and reed-electronic exchanges for installation at Burnley, Barrow-in-Furness, East Belfast, Ilford, Dover, Kendal, Warwick and Wimbledon.

The majority of the crossbar switching units will be made at Kirkcaldy and Glenrothes in Scotland where new production tracks have been established. This expansion has created another 735 jobs.

Discount plan for cash-down U.S. tourists

A SCHEME claimed to save money for Canadians and Americans visiting London is to be launched by Countdown Directories and BOAC. It will provide facilities for obtaining reductions of up to 25 per cent. by paying cash at hotels, theatres, a wide range of stores and beauty salons.

An "Open to View" ticket costing £1.25 entitles the holder to free admission to most of Britain's stately homes and ancient monuments.

Membership for a year will cost $2 in North America and each visitor will get a Countdown London cash card and a directory listing all the available reductions and concessions.

All a visitor in London will have to do when paying by cash or *traveller's cheque is to present* his Countdown card to obtain an automatic saving.

GARDENS TO-DAY

A nine-month challenge

BY ROBIN LANE FOX

THIS WEEK, I have taken on a new challenge and will probably regret the time which I spend on it. It is a country garden of about half an acre round an old stone farmhouse in Oxfordshire and it consists of grass, old apple trees, an acacia and an elm tree which is overdue to fall down.

The soil is lumpy and limey and it has been hardened by the September sunshine until you have to stamp on the tread of a spade in order to break it up. It houses a thick mat of ground-elder and the most stinging kind of nettle at any of the few points where it has ever been dug.

Six inches beneath the surface in at least half the garden, the layer of local stone makes a barrier against all those energetic double-trenchings which dictionaries recommend for the owners of new gardens. So much the better, I will ignore them.

Why, then, is this a challenge, rather than a site for self-enforced hard labour? Largely because the house and garden are rented and on July 1 the owners return to it: any garden therefore, must be over by mid-summer if I am to enjoy it and the weeds and gaps thereafter will be their responsibility, not mine. In the next nine months, I must make a mature garden and return it to an empty wilderness, not an impossible ideal but one which the stone and soil may well frustrate. I will never do it again but without this opportunity I would have wondered whether it could ever be done at all.

At the moment, my trouble is over-ambition. I have decided on *bulbs and seeds as my main* materials and where possible, I mean to try plants which I have never grown before. The bulbs can be lifted, the annuals will die anyway and if I make mistakes I will only have to live with them for six months. But already I have ordered more than I can manage.

I began gardening through growing flowers from seed and in every catalogue I read that hardy annuals could be sown in autumn to flower the following spring. Ever since, I have wondered who takes the trouble to sow seeds out of season and risk them through a winter; now, I know it can only be those with a temporary garden, wishing to economise. It seems such a neat solution.

Cold dangers

I scatter my Love-in-a-mist and Shirley poppies, mixed with strangers like Eucharidium Pink Ribbons and Layia Elegans to preserve my self-respect. In six weeks' time, they will have come up, been thinned and formed enough of a root to resist the winter without being so lush and leafy that they are prey to the frost. In April and May they reward me not with a blaze of colour (a garden is not a bonfire) but with a mixture of carefully chosen purples, pinks and whites, the natural colour range of so many hardy annuals and a very happy blend at that.

A very cold spell in winter, however, will probably put an end to my hopes and I will have to fall back on a reserve which *is always worth keeping*, a few boxes of biennial Brompton Stocks sown under glass in late August, wintered under a frame and planted out in early May. They then flower all summer and are the most splendid value for little money and much trouble.

Even if the annuals fail—for the past four winters, antirrhinums, allegedly half hardy, have managed to survive—I have bulbs as my long-stop. Here, the bulb-merchant has done all the work for me already, supplying his bulbs complete with next year's flower inside them; only my failure to plant them on time in their hundreds or my determination to naturalise white tulips in the shade will stop his efforts of last year from coming to fruition.

When ordering bulbs for yourselves, do remember that you are buying a product ready-made from the previous year's cultivation and unless the cultivation has been of the best, the product will disappoint you. Not that the best bulbs are necessarily the most expensive, though prices vary ridiculously from firm to firm. But they are most unlikely to be the cheapest; with bulbs, only the best are worthwhile.

Small daffodils

Daffodils, then, will grow in the lawn, not the tall hybrids which look ungainly until they have made clumps, if they ever do, but the small wild Lent Lily, paler coloured and nine inches high, and the Tenby Daffodil, bright yellow and a capable competitor *with the roots of the grass. White* Bluebells, the hybrid yellow aconite which lasts so long, many of the species crocus, scarlet Anemone Pavonia, the Peacock Anemone and a green-and-white striped Allium called Triquetrum will extend the season from February to May: at certain strategic points, I will add my secret weapon, drifts of a red-and-white blotched tulip called Union Jack which sounds dramatic but will probably turn out to be monstrous. Never mind: it is only for one year.

If the bulbs fail, I will ask for my money back and pin my faith on my border-plants. These are not in borders so much as in groups in the grass, a nuisance for the mowing but again, this is only for half the summer.

As bulbs and annuals are short-lived or unsubstantial, I have tried to choose border-plants that mature quickly and look large. Anchusas are a face-saver for any new bed, dark-blue flowered and four foot tall in their first year, if never again thereafter.

With them goes my new craze, the many kinds *of* Wild Geranium, and the six-foot spikes of the pale yellow Verbascum Broussa, more strictly a biennial; to follow on, come perennial poppies, flowering Kale or Crambe, perhaps the giant herb Angelica and even the red-leaved Rhubarb in the one corner where the soil is deep.

So much for a small part of my plans. Now they must all be turned into a reality, most of them to fail, some of them to give pleasure and all of them to die away in the next nine months.

New challenge to Ministers on UCS

BY ANDREW HARGRAVE, SCOTTISH CORRESPONDENT

[R]ECENT Ministerial denials that Upper Clyde Shipbuilders were "on the turn" at the time of liquidation last June were strongly challenged yesterday by Professor Kenneth Alexander, of Strathclyde University, formerly a director of both UCS and Fairfields (Glasgow).

This challenge, which came in the form of a seminar talk at the Department of management studies at Dundee College of Technology, follows similar claims within the past ten days by Sir William Swallow, chairman of the Shipbuilding Industry Board, and Mr. Kenneth Douglas, managing director of UCS. It is coupled with an appeal to Mr. Hugh Stenhouse, chairman of the newly-created Govan Shipbuilders, to break the deadlock between the Government and the work force.

According to Professor Alexander, the UCS operating loss in the first 16 weeks of next year would have been less than £60,000 without any productivity improvements or the Government's intended cancellation of State orders. In the case of the latter, there would have been a profit of [...]000. With productivity improvements, it would have risen [to £]1.5m.

This dramatic turn-round from losses of nearly £2m. for the equivalent period before liquidation is explained by the higher standard gross margins built into ships on order but not delivered by June 30, 1971, compared with ships delivered before that date," he says.

Although the profit for the period would have been small in the turnover involved and the backlog of supplier credit to be paid off, "it would have been much larger if all or part of the benefits for productivity improvements were built into the forecast. It would also have been improved upon by the reduction of overhead costs which were being actively attacked."

Professor Alexander describes the White Paper based on the report by the Government's four-man advisory group as "most unsatisfactory."

"It seems that in its thinking the advisory group confuses the structural with the financial and managerial issues," he says. "It rejects grouping (of the four UCS units) without showing good cause, and then argues for a restricted operation based on Govan-Linthouse. It would be helpful to know the basis for this choice."

Professor Alexander refers to the "distinguished foreign (Swedish) shipbuilders" consulted by the advisory group on the choice, and reveals that their apparent advice of closing Clydebank had been considered by the UCS Board on several occasions.

"It is of interest," he says, "that there were always advocates of keeping Clydebank in production—even at the expense of closing Govan—among them those with long experience in shipbuilding."

The profit forecast to August, 1972, had shown (ignoring overheads) Clydebank making a profit of £1.3m. more than Govan, with Scotstoun, the lowest, also making a profit of £1.3m. With its conversion cost advantage, he argues, Clydebank could support an investment of £5m. which, depreciated over 10 years, would still leave a cost gap in its favour.

"To restrict the future of shipbuilding on the Upper Clyde to Govan-Linthouse may be as necessary as the blunt way this recommendation by the advisory group suggests," says Professor Alexander, "but this is not obviously so to many, including those most affected by such a decision and those with the expertise, experience and inside information which enables them to form an independent judgment."

Rubber ITB issues training guide lines

[The] Rubber and Plastics Processing Industry Training Board [has] produced a publication, Guide [...] on the Survey of Training [Need]s, to try and persuade companies to adopt a more systematic method by which their training needs and priorities may be identified.

[In] principle, it is expected that companies will critically examine their training priorities, [and] having done so, carry out training to satisfy them both [in th]e short and long term.

[The] resources of companies are [limite]d, and to train for the sake [of tr]aining or to train only to [obtain] grant is wasteful. Good [traini]ng consists of two basic [eleme]nts: first, that it satisfies the [comp]any's identified needs economically and, *secondly*, that it is [based] on sound principles.

[The] Board is therefore concerned that companies are made [aware] of the basic technique of [Surve]ying Training Needs (STN) [and] in presenting the booklet [urges] them to adopt a logical [appro]ach to systematic training. [It] stresses, however, that the [manne]r in which the principles [are ap]plied is essentially the personal concern of each company.

[To en]courage the adoption of this [techniq]ue, the Board proposes [that fu]ll grants for the year from [...], 1972, will be obtainable [by co]mpanies of more than 75 [employ]ees which have prepared [a real]istic *Survey of Training Needs*. Companies failing to complete such a survey by December 31, 1972, will be paid grant at a reduced rate.

Separate surveys may be necessary for each establishment within a company because it is expected that the circumstances will not be identical in each location.

Priority areas

The survey aims to highlight the important priority areas where training is required. When these have been determined, steps can be taken to conduct a detailed investigation into the training needs of individuals and the setting of individual training action plans.

Since the process is continuous, companies will wish periodically *to review the effect of training* accomplished and then to re-appraise their training needs *which will alter with time and be* influenced by the demands of changing company operations.

Recognising that an approach to training in this depth is not widely conducted, the Board has arranged a series of courses at which company staff can be introduced to this technique. These courses, financed by the Board, consist of one week's tutorial followed by an in-company project period in which the course members complete a survey of at least part of their own company assisted by a member of the *Board's Training Staff.*

[V]ickers-West German [li]nk for small submarines

[BY] JAMES McDONALD, SHIPPING CORRESPONDENT

[VICK]ERS HAS reached a basis [of ag]reement with the West German companies of IKL and HDW [Howa]ldts Deutsche Werft) to [integ]rate the design and building [of] smaller types of diesel-[electri]c submarines in the 500 to [1,000-t]on range.

[The] West German companies [have] considerable experience in [this si]ze range and Vickers hopes, with German "know-how," [to fill a gap] in its present range of [subm]arines.

[The] current Vickers' submarine range goes from an 11-ton "pigmy" up to an 80-ton Pirhana design. There is a gap between 500 and 1,000 tons, and then the range goes on up to 2,000 tons in the form of the Oberon diesel-electric vessel.

A Vickers spokesman said yesterday: "What we have in hand now is active development, and we hope to be able to offer these smaller submarines to all navies."

No "political eyebrows" had been raised over the agreement with the German companies, he added.

APPOINTMENTS

COMPANY NOTICES

MOTOR CARS

PERSONAL

PLANT AND MACHINERY

PRODUCTION CAPACITY

Law Reports

Criticisms of Maxwell 'black mark for ever'

Criticisms of ex-MP Mr. Robert Maxwell in the interim report of two Government-appointed inspectors investigating Pergamon Press and another company with which Mr. Maxwell had been concerned, would be "a black mark against him for ever," a High Court judge said yesterday.

Mr. Justice Forbes asked: "Should not the inspectors have given him the opportunity to defend himself?"

Mr. Raymond Kidwell, QC (for the inspectors): "He has had an opportunity to defend himself."

After the inquiry, he said, Mr. Maxwell and his legal advisers were given a full transcript of the proceedings to study. The inspectors pin-pointed areas of potential criticism which might be made against Mr. Maxwell in the report. *Mr. Maxwell could have made* further representations to the inspectors in answer before the report was produced," he added.

"*No-one was lulled into a sense* of false security," Mr. Kidwell went on. "They had every opportunity to make their case on the areas highlighted before them. That opportunity was not taken."

Mr. Maxwell, of Headington Hill Hall, Oxford, is seeking in the Vacation Court temporary orders stopping the Department of Trade and Industry inquiry into Pergamon Press and International Learning Systems Corporation until after the hearing of an action he is bringing.

He claims that the interim report was unfair to him because he was not given a proper opportunity to rebut material on which the inspectors based their [...]clusions.

Mr. Maxwell is bringing action against the Depart[...] and the Inspectors, Mr. [...] Stable, QC, and City accou[...] Sir Ronald Leach, seeking dec[...]tions and orders stopping defendants from continuing such parts of the inquiry as [...] be concerned with any of his [...] or omissions.

Mr. Justice Forbes said he [...] not making the slightest crit[...] of the Inspectors.

"But," he continued, "with an enormous inquiry as this, [...]ing two years, it becomes al[...] easier to overlook some si[...]cant fact.

"Surely, therefore, before [...] started making their swin[...] criticisms they should have [...] to Mr. Maxwell: 'Now, look, [...] are minded to say this. You [...] us why we should not'."

No grounds

Mr. Kidwell maintained it [...] not the fault of the Inspe[...] that Mr. Maxwell had not [...] the opportunity to defend hi[...] at the appropriate time.

"He has no ground for s[...] that they behaved unfairly i[...] way," he added.

At one point in the argu[...] the judge remarked: "It do[...] matter what I say. Whate[...] decide, either you or Mr. [...] (for Mr. Maxwell) will go t[...] Court of Appeal."

The hearing was adjourned [...] to-day. Judgment is exp[...] to-morrow.

Wilson Line tests Mark[...] with ship to Belgium

BY JAMES McDONALD, SHIPPING CORRESPONDENT

ELLERMAN'S WILSON LINE, after 150 years of world-wide trading with recent emphasis on Scandinavia and the Mediterranean, has announced that it plans to include Common Market countries in its services with a new ship operation between Hull and Zeebrugge, Belgium.

Initially, cargo only will be catered for on "roll-on, roll-off" vessels, particularly wheeled and trailer cargo, *but a certain amount* of unitised cargo also may be carried. The service will start as soon as possible after the new terminal being built at Zeebrugge is commissioned next month. At the start the service wi[...] weekly.

As soon as arrangemen[...] a suitable ship can be fin[...] expected to be by next [...] the weekly service will b[...] placed by a three-times-w[...] passenger-cargo service. The [...]senger service may be inc[...] to four times weekly in the summer months.

It is understood that the [...] in the trade initially wi[...] chartered: Ellerman, togethe[...] other companies, wishes to [...] a toe in the door of any [...] U.K.-Continent trade which [...] develop as a result of entr[...] the Common Market.

Four containerships for Scanservice

FOUR LARGE containerships—costing over £60m. and being built for the Scandinavian Joint Shipping Service (Scanservice)—will enter the Far East-Europe freight trade in 1972 and 1973.

The ships will operate in competition with the "Trio" service offered by integrated services by British, German and Japanese *lines, with the first coming into* operation around the end of this year.

Scanservice represents co-operation between three Scandinavian shipping companies—the East Asiatic Company, of Denmark, Swedish East Asia Company and Wilh. Wilhelmsen, of Norway. Their operations on the Far East route at present employ 36 *conventional cargo liners.*

First of the new containerships for the service—901 feet long and with a container capacity of 1,974 20-feet units—is being built in Sweden. Two more are being built in Copenhagen by Burmeister and Wain and the fourth is under construction in Japan.

It was announced recent[...] Scanservice and Nedllo[...] Dutch operators—would [...] into a joint service from [...] next year. As a result [...] Scandinavian-Dutch co[...] *service will have a to[...]* fully-cellular containership[...] pared with 17 in the [...] joint service.

JET NOISE CU[...] HOUSE RATES

People living near Manch[...] Ringway Airport are to have [...] rates cut because of jet nois[...] *cut is expected to affect* householders in the Wood[...] Park area. It follows an a[...]tion by residents to the [...] valuation office.

The decision was annc[...] *yesterday and reductions a[...]* pected to be back-dated to [...] Typical cuts are: gross valu[...] reduced to £101; rateable [...] (on which rates are paid) £[...] to £67.

New detector eye will [...] the speeding motorist

BY TED SCHOETERS

ACCURACY derived from instruments capable of measuring the speed of red-hot steel strip as it passes through a rolling mill will be built into a new design of road traffic speed measurement instruments being made by Marconi Radar Systems, of Great Baddow, under contract to the Home Office.

Marconi expects that its equipment will cover the speed range 20 to 150 mph and will provide the complete system in a single unit which will view the traffic *flow at right angles to the road.*

Narrow reflecting strips pick up the image of the passing vehicle and reflect the light from it on to a *photodiode. Irregularities* on the optical image moving across the strips produce a fluctuation of light and this fluctuation will have a frequency directly related to the speed of the object.

The output voltage from the diode will reflect this variation and it can be measured [...] high accuracy by appr[...] circuits.

This signal will be con[...] to a speed reading and pre[...] on the top of the instrum[...] digital form.

Princess to open Motor Show

PRINCESS ALEXANDRA [...] open the London Intern[...] Motor Show at Earls Co[...] October 20.

The show will open [...] public at 10 a.m. the sa[...] and will remain open dail[...] 10 a.m. to 9 p.m. until O[...] 30. It will not be op[...] Sunday, October 24.

CONFERENCE ON ECONOMIC BOOM IN BRAZIL

By Hugh O'Shaughnessy

Sr. Ernane Galvêas, president of the Brazilian Central Bank, and Prof. Mário Henrique Simonsen, a leading Rio banker, are among speakers at a conference on Brazil's Economic Boom, to be held in London on October 7 under the aegis of the Banco do Brasil and the Banco do Estado de São Paulo.

On October 3 a strong Mexican trade mission arrives headed by Sr. Julio Faesler, director of the Mexico Institute of Foreign Trade. It will include representatives of the Banco de México and the Banco Nacional de Comercio Exterior and a travel industry contingent.

COUNCIL CUTS MORTGAGE RA[...] TO 8%

West Bromwich Council [...] its mortgage interest rate [...] cent. to 8 per cent. from [...] 1. The decision was taken [...] finance committee in antic[...] of similar cuts by building[...]ties. It will mean a sa[...] about 42p a week for the [...] borrower.

The interest rate was inc[...] by 1 per cent. to 8½ per ce[...] new borrowers in April, 19[...] for existing borrowers [...]lowing October.

BUSINESS OPPORTUNITIES

LONDON HOUSES AND FLATS

FOR INVESTMENT

WANTED

هكذا من الأجل

The Executive's World
EDITED BY DAVID PALMER

Your Business Problems

What CEPT means to PA

By Terry Dodsworth

A few months ago, Derek Maclaren, head of PA Management Consultants' international management sciences operations, found himself sitting at a large table surrounded by the men who run Europe's telecommunications systems. The scene looked a little like one of those international conferences which flit briefly across our television screens. Thirteen nations were represented at the table. Batteries of microphones hung around the place, and Maclaren was undergoing his first unnerving experience of having his words simultaneously translated.

The contract Maclaren was after—and has won—was for a study into European data transmission needs over the next 15 years. It is a highly important contract for PA. First, it is worth between £500,000 and £1m. and there are not many contracts of that size going around for consultants. Secondly, it was won against intense competition. Thirdly, and perhaps most importantly, it is the kind of contract which the larger, more prestigious consultants, are now chasing in the fight for expansion. It keeps PA well up with the front-runners in its field.

The 14 month Krm—study, involving 35 consultants at its peak, has been commissioned by the Conference Europeen des Administrations des Postes et des Telecommunications (CEPT), which brings together the telecommunication ends of the Post Offices of Europe. It will look at data traffic between countries and regions, the computer requirements of various customers, the data processing systems that need to be developed, and the kind and number of terminals likely to be needed.

There is little doubt that one of the things which helped PA win the contract is its strong European base. It has about 1,000 consultants in Europe—700 in England, 300 on the Continent. Maclaren says that PA's policy of expanding by setting up national companies staffed by nationals is beginning to pay off. In most of the countries the research can be done by indigenous PA consultants, trained in the domestic business traditions and speaking the same language.

PA is also quietly pleased to have beaten the Americans in one of the fields where they are at their best. It will be working in association with the New York-based Quatum Science Corporation, which will be providing information on the latest American practice, but it will, unequivocally, be a PA-led exercise.

THE CITY

Chilly competition in EEC

BY MICHAEL BLANDEN

MOST OF THE City institutions, faced with the prospect of British entry to the Common Market, take a fairly cheerful view of their chances of gaining more business in the wider context of European industry. The members of London's widely-diversified banking community, in particular, tend to argue that their highly developed skills, already being deployed in a completely international context, are likely to give them a considerable edge over potential competitors.

At Barclays Bank, for example, chairman Mr. John Thomson stresses the moves already made to prepare for Europe, and the bank's plans to increase its activities there both through direct representation and through its membership of the Société Financière Européenne grouping. He comments: "We believe that the open-door policy and flexible efficiency of the City will ensure that London banks will have an increasingly important part to play in Europe."

Merchant banks

Among the merchant bankers, again, Mr. David Montagu, chairman of Samuel Montagu, takes a fairly optimistic view. He comments: "There is no short-term bonanza for the City of London in joining Europe. London has been at the centre of financial innovation and the entrepreneurial flair of the City has made it the effective financial centre of Europe without Britain's formal entry into the Community. But this is only the short-term position, and I am under no illusion therefore that if we fail to join the EEC on this occasion a structured and potent attempt will be made to develop financial markets outside London, which will erode the invisible earning capacity of our financial community."

He adds, however: "I am convinced that the long-term gain to Britain lies in the increased share which we can expect from the financial restructuring of the Community if we join the Common Market, and I am confident that we will be able to take the adaptation to the free movement of capital provision in our stride."

For all this, there has recently been substantial evidence among the banking community of real concern over its ability to maintain its present standing in the international financial community.

The London banks have shown themselves to be increasingly aware of the real threat of vigorous competition they may have to face, not only from the big American banks now beginning to spread their wings in Europe, but also from some of the large European financial groups which are individually developing into effective international bankers.

Mr. David Montagu: "no short-term bonanza."

Against this background, the question is being increasingly asked whether the traditional structure of the City banking business is any longer appropriate to the needs of large-scale international finance.

A study recently carried out by a group of young London finance men underlines these issues. The four men—Mr. Jonathan Davies, Mr. Michael Hoare, Mr. David Poole and Mr. Peter Readman—spent this year at INSEAD, the European Institute of Business Administration in Fontainebleau, studying banking developments in four Common Market member countries, France, Belgium, Holland and Germany. The resulting paper, which is being distributed among the banks, points up the weight of the competition within Europe—and, incidentally, the relatively small impact which most of the London banks have made there so far.

The major point made in the study of European banking is the intensive degree of competition which has developed for the provision of all kinds of banking services. The approach is eptomised by the quote from a German banker: "The customer is no longer prepared to continue a relationship merely because it is of long standing. To-day he seeks the best terms and will shop around for them."

The point is underlined by the discussion of the results of this competition. There has been a continual blurring of the distinctions between different types of financial institution, in both the private and public sector. All kinds of bank, commercial, investment, savings, have increasingly tended to offer a wider and more similar range of services.

The U.K. merchant banks may well have the opportunity, as they tend to argue, to bring to Europe more advanced techniques of corporate finance. The central problem, however, is that they are likely to be competing against much bigger groups with large funds at their disposal. None of the services offered, it is pointed out, are the preserve of specialised institutions, as has been the pattern in London. And "the cold winds of competition which brought about the diversification of services has acted very much against the interests of the small private banks whose position has become increasingly untenable."

This, moreover, may be particularly the case in the field of international operations where most of the London banks see their biggest opportunities for expansion. The authors of the report examine the development of international links among *banks designed to deal with the* business arising from the needs of international companies. These links fall into two main kinds. One type of grouping is designed for specific needs, in particular the international provision of Eurocurrency finance, where many banks, including the Americans, have established connections.

Broad grouping

The other is the more broadly based grouping designed to provide a comprehensive international service, of which the authors identify four: European Banks International Company, with the Midland Bank included; the CCB group, from Germany, France and Italy; the Société Financière Européenne (including Barclays); and the recently formed and potentially powerful Orion Group, including National Westminster.

Their formation is indicative of the attitudes of European bankers generally. They reflect, at least in part, growing anxiety about the possible competitive threat posed by the aggressively marketing-oriented American banks, already well-established in Europe to service their national companies, and now expanding their local operations.

If Britain joins the EEC, much will depend on the exact form which monetary integration takes within the enlarged grouping, and particularly on the development of financial unity and the rules for capital movements. In the final analysis, however, the City will stand or fall by its skill in developing and selling the services which its customers will want within Europe. It starts with a very considerable advantage. But the authors of the study conclude with a warning which is likely to strike home in London: "In view of the disparaging opinions held on the Continent with regard to the performance of the British banks within the EEC it is clear that complacency would be misplaced."

No tax on house sale

BY OUR LEGAL STAFF

I am a general practitioner and see some patients at home and am allowed a proportion of my heating, lighting and rates against the profit of the practice. How would I fare for capital gains tax purposes, when I came to sell my house?

There would be no capital gains tax payable on sale, even though a proportion of certain expenses in connection with the house have been allowed as an expense of the practice. This is because no part of the house is used exclusively for the purposes of your practice.

Self-employed pension

I am employed 9/11 of my time by the National Health Service, and am therefore superannuated under that scheme. I am also allowed to undertake private practice outside the NHS.

I understand that according to the 1956 Finance Act, self, employed people can obtain tax relief on premiums paid towards an insurance pension scheme, provided that such premiums do not exceed 15 per cent. of the income. In my case I thought that I could obtain tax relief on 15 per cent. of my earnings from private practice. The local Tax Inspector however says that as I am already contributing to a superannuation scheme I am not eligible under the Act for tax relief. Is this your view?

The Inspector is wrong. You have relevant earnings for a self-employed superannuation policy, in the form of your 2/11ths net earnings and you can have a deduction of up to 15 per cent. of those net earnings. Likewise a dental surgeon can take out a policy on the basis of his profit from private fees, but in the case of the profit from his national health fees these are covered, as are your 9/11ths, by the National Health Service Superannuation Scheme.

Accumulator trust

I have invested in two capital accumulator trust units and have declared the annual dividends on my tax return although I received no cash payment.

As I may be obliged to sell these shortly at a loss, can I include the net dividend amount in my cost for capital gains tax loss and as I have paid surtax on these dividends, can I claim any refund on this tax?

If your annual entitlement to dividends from a capital accumulator trust has been applied in the purchase of further units, then on a sale you will be able to include the further cost of these additional units (equal to the net dividends reinvested) in your capital gains tax computation.

There is no way in which you can recover tax paid on the dividends because you have suffered a loss. However on the assumption that you realise some capital gains you will be entitled to relief for the capital loss.

Expenditure on repairs

As a farmer I would like to repair and renovate my farm buildings and the total expenditure will amount to several thousand £s.

I gather that such an expenditure is allowed as farm expense, but is it allowable to spread the expenditure over several years of farm profit, or against one year's profits only?

If you are planning to incur repairs expenditure, you should arrange for the work to be carried out over a period of time, as such expenditure would be allowed in the year in which incurred. If this is substantial it should be spread over a number of years, in order to avoid obliterating the income of one year, and thereby losing the personal tax allowances which can only be taken year by year.

Care will also be needed to distinguish between any element of improvements, as opposed to renewal or replacement, because the Revenue will seek to treat the improvement element as new capital expenditure.

In these circumstances you should seek your accountant's advice on your problems.

Offsetting trade losses

In order to supplement my ***income (unearned) I am contem-*** **plating opening a small shop in premises I have bought. I doubt whether this will pay its way for the first year or two, but I have been told by the Tax Inspector that I shall not be able to offset any losses against my other income. What, please, is your advice?**

The Inspector is not correct. If you suffer losses in a *bona fide* trade carried on by you, you will be able to deduct these losses in arriving at your total income, and this will reduce your tax burden for the year. Losses when being deducted from total income will first be deducted from your earned income and then your unearned income under the provisions of Section 168, Income and Corporation Taxes Act 1970.

Debt from a subsidiary

Referring to your reply of August 18 headed Striking off a company, when you referred to a debt from a subsidiary to a holding company, could you say how such a debt could become statute barred in view of the close relationship between two such companies and the repeated acknowledgment of the debt in each year's accounts?

The year's accounts are signed considerably after the date to which they relate; and any acknowledgment in writing must be of an *existing*, not a *past*, liability. (This was carefully explained by the Privy Council in a case in 1964.) Of course, the holding company could ensure that the debt did not become statute barred if it took the necessary steps; but it might well choose not to do so.

Establishing a loss

In this column on August 25, *a reader asked* how a *potential* loss could be turned into an established one, and set off against a realised gain. We clarified our answer that the repurchase should take place in a following stock exchange settlement, by explaining on September 15 that the repurchase must not take place before the account day relating to the stock exchange account in which the sale takes place. This relates to establishing losses for capital gains tax purposes before April 6, 1971.

Prior to April 6, 1971, if a taxpayer wished to establish a short-term loss the repurchase had to take place more than one month after the disposal (for stock exchange transactions). If the shares were repurchased within one month, the loss on the first disposal could only be set against the gain arising on the disposal of the reacquired shares and in no other way.

After April 5, 1971, since tax on short-term gains has been abolished, there is only one type *of loss that can be established*, that is, a capital gains tax loss. To establish such a loss the shares disposed of can be reacquired on the following day without upsetting the loss.

There is, however, one exception, where the *one-month* rule still applies, and that is in relation to Government Securities. Where these are disposed of within 12 months at a loss and the same stock is reacquired within one month the capital gains tax loss can only be set against a gain made on the sale of the repurchased stock.

It will be appreciated that gains on the disposal of Government Securities more than 12 months after acquisition are exempt from capital gains tax. In this case the capital gains tax loss would be displaced by the exemption, that is, the loss would be lost.

Accordingly a capital gains tax loss can only be effectively used against gains on disposal of such securities if the disposal takes place within 12 months after the reacquisition against chargeable gains.

*

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How small companies can think big

BY STANLEY OLIVER

SMALL COMPANIES often feel that the answer to all their productivity problems lies in advanced technology. This is frequently not the case at all. The introduction of new technology without a proper plan does nothing to help production figures.

This does not deter *many* small companies—of around 1,000 employees—continuing to administer, plan and finance technology in an amateurish way, even when they use sophisticated techniques in other aspects of their business, like marketing.

How should a company of this size go about introducing technology? How can it be sure that it gets efficient use out of its capital investment in new plant and machinery?

Responsibility

For a start, one member of the management team should have overall responsibility for technology. He may well be a production engineer. Certainly a firm employing 200 personnel can justify employing a specialist like this.

In a company where there is no obvious specialist it may be necessary to train senior management in the commercial management of technology; production engineers may need a course in the latest techniques in a particular area. The main thing is to set out a plan and arrange for the necessary personnel to be hired or a training course to be set up.

First of all it is necessary to identify areas in which new technology can be applied.

If the company does not have a suitable person to carry out a survey, an outside consultant could be hired for a short period.

I have carried out such production engineering studies with the object of identifying cost-saving projects. In one company, employing about 1,000 personnel, I raised 117 projects for *subsequent study*.

The smaller company could operate an employee suggestion scheme and the projects could be linked with it. A programme of work should be planned and the following steps are suggested.

1—*All management personnel* who are in any way involved should be acquainted with information relating to the particular technology. Special library services and technical journals may be useful.

2—Once the areas of innovation have been selected a full cost study needs to be carried out on each project; cost saving claims should be endorsed by the company accountant.

3—Research organisations should be used where required and it is an obvious advantage to have a specialist inside the company to liaise with him. Suppliers of machinery can also be very helpful in developing technology. A specification should be raised and this becomes the framework for an "Invitation to Bid" document.

4—*After placing an order*, the remaining steps are progressing and preparation for receipt of machinery. If preparation has been thoroughly done, the application stage should go smoothly. Care should be taken to monitor progress during the implementation stage so that the Board will receive financial endorsement of the actual financial results of the new technology. A company only needs to invest in a technological service which gives a satisfactory response.

Outside help

Where outside help is needed, there are several possibilities. The smaller company could become a member of a Government sponsored organisation such as the Production Engineering Research Association (PERA) and thus have access to a comprehensive library and consultancy service. The annual membership fee is based on sales turnover and starts at £95 for up to £50,000 turnover. An engineering company having a turnover between £500,000 and £1m., for example, would be charged £433 per annum, but there are reductions for some non-engineering industries.

Apart from approaching local universities or technical colleges, there is a very comprehensive range of advisory services available in this country offering research and development and consultancy services. Interested companies should obtain the booklet entitled *Business Efficiency—an ABC of Advisory Services* published by the National Economic Development Office (HMSO).

A smaller company may already be convinced of the need for vital new technology in order to combat rapidly rising prices and wages, but may be wondering where the money is going to come from.

F. Simmonds has given sound advice in his book *Financial Control for the Small Manufacturer* (Jordan and Sons) on methods of raising the necessary capital. There is also information generally available on such aspects as hire-purchase and leasing.

Careful planning of working capital requirements will be necessary if technology is to make progress: in companies which are large enough to employ manufacturing specialists such as production engineers, the latter should keep the company accountant informed of plans for future technology and any planned obsolescence. Above all companies should not forget to ensure sufficient working capital to cover the day-to-day functioning of machinery and plant.

Stanley Oliver is senior lecturer in management techniques, Salford College of Technology.

Engineers, not managers

THERE are three reasons why engineers do not want jobs in top management, said Mr. Rupert Muntun in his presidential address to the Institute of Marine Engineers yesterday.

First, engineers might find a purely technical job sufficiently absorbing. Second, his training might not have prepared him for delegation, even in the technical area. *And third, engineers were* often not prepared to learn the language of management in accounting, operations research or sales, Mr. Muntun said.

Arguing that engineering was not just a science, but an art, Mr. Muntun suggested that the Institute could do a lot to produce the fully equipped and rounded engineer who was needed in industry to-day.

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A successful beginning

THE TALKS which ended last night between Mr. Heath and the Prime Ministers of Northern Ireland and the Irish Republic seem to have been a real, if limited, success. To have brought the three parties together for the first time in 45 years and to have kept them talking in reasonable amity for two days was no mean achievement in itself. All three men took some political risks in meeting and it is a tribute to their sense of responsibility as well as to the gravity of the situation that they came together.

Significant step

But both Mr. Faulkner and Mr. Lynch went further than that—Mr. Lynch in condemning "any form of violence as an instrument of political pressure" and Mr. Faulkner in putting his name to a communiqué which implicitly admits that Mr. Lynch has a standing in a discussion about the internal policies of Northern Ireland. These implied statements of position constitute a significant step and open the way at the very least for the "further meetings" to which the joint communiqė looks forward.

Whether more than this has been accomplished, only time will tell. None of the three principals could be expected to announce large-scale changes of policy from the steps of Chequers. It is essential to Mr. Faulkner's political survival that any reforms which are introduced must be undertaken "spontaneously" and without the benefit of pressure from Mr. Heath, far less Mr. Lynch. Conversely if Mr. Lynch is to tighten up security measures against the IRA in the Republic he will do so as unobtrusively as he can.

But if silence on these points is not necessarily discouraging, it cannot, unfortunately, be assumed to mean that positive promises were made. There was, on the face of it, a direct contradiction between the interpretations offered by Mr. Faulkner and Mr. Lynch of several key points in the joint statement—particularly the sentence which proclaims a "common purpose to seek to bring violence and internment and all other emergency measures to an end without delay." Mr. Faulkner says that this enshrines his belief that the ending of violence is the first priority which must be achieved before internment and the other measures cease likewise. Mr. Lynch asserts that violence will not end until the ending of internment has appeased the minority and their elected leaders.

And yet some way round this impasse must be found in practice, if not in publicly avowed theory, before any further progress can be made. Neither Mr. Maudling's forthcoming round table conference on the structure of democracy in Ulster nor Mr. Faulkner's promised consultative document containing his new proposals in this field, will have much effect on the situation in the Province without the co-operation of the Catholic Opposition MPs at Stormont. Mr. Lynch has been careful to state that he has neither "represented" this minority during the last two days, nor can he "dictate" to them their next moves; but it is unlikely that they will change their present attitude and come to Mr. Maudling's conference table, unless Mr. Lynch has been able to assure them, on the authority of the Chequers conversations, that there will be some modification of internment policy.

Objective

Beyond this difficulty all sorts of others still loom. Mr. Faulkner, for instance, reiterated yesterday his belief that no Catholic could sit in a Northern Ireland Cabinet unless he were entirely committed to the present status of Ulster. But such arguments are for the future. The immediate objective must be to get a rational political dialogue restarted within Northern Ireland itself. The tripartite talks have obviously made a small start in this direction. Events on both sides of the Border during the coming weeks will show whether they have done anything more.

Short-term and long-term

THE PRESENT international monetary crisis has had at least one useful result: it has produced a general agreement that the system set up at Bretton Woods, well as it has served the world for a generation, is now in urgent need of reform. What is more, as Mr. Barber pointed out yesterday in his speech to the annual meeting of the International Monetary Fund, there is also a reasonable measure of agreement about the direction which long-term reform should take. The arrangement for Special Drawing Rights on the Fund has, after long discussion, got off to a good start and there is a strong case for developing it further.

The original purpose of the scheme was to make possible a controlled growth of international liquidity in place of a growth which depended largely on the size of the U.S. payments deficit: if the U.S. deficit is to be eliminated, this function of SDRs will become more important than ever. But if SDRs are in future to be the main source of new liquidity, it is natural to suggest that the par values of currencies should be expressed in terms of them, rather than of gold or dollars, and that they should eventually be the main form in which countries hold their reserves.

Difficulties

The chief theoretical advantage of such a reform is that it would create a genuinely man-made and man-controlled form of liquidity. This would not only make it possible to tailor the supply to the changing demands of circumstances but would enable the U.S., whose main complaint is that it is not at present free like other countries to alter its exchange parity, to operate on the same footing as them. But there are also, as Mr. Barber frankly admitted in setting out his proposals, serious practical difficulties to overcome in introducing and working such a scheme.

Some of these relate to matters of detail but are still important: if countries are to hold their reserves in the form of SDRs rather than dollars or pounds, for example, they will have to be offered an attractive rate of interest. Some of them are transitional but none the less awkward for that—in particular, there is the question of how, and over what period of time, existing reserves of dollars and sterling are to be converted. Some, finally, spring from the very fact that a transition has to be made from an arbitrary but established method of liquidity creation to a rational but untried one. Governments have to be willing to accept SDRs in payment on a large scale, to value them on some firm basis, and to reach agreement at regular intervals about the scale on which they are to be created and the way in which they are to be issued.

Wider margins

None of these points can be settled quickly. Nor can agreement be reached quickly about the defence and trade matters which the U.S. Administration has raised and which will have to be negotiated for the most part on a bilateral basis. But the longer the import surcharge remains in force, the greater the risk of retaliation and a spread of restrictions. In the common interest, therefore, the chief aim must be to work out as soon as possible a pattern of parity changes impressive enough to persuade the U.S. to announce a timetable for reducing and then abolishing the surcharge altogether.

Thus will not be easy but the outlook for a successful negotiation is rather better now than it was a couple of weeks ago, largely because most Governments are clearly anxious to return to fixed parities as soon as they can. It would have suited Britain's own interest to continue floating for some time, partly because the payments balance is at present misleadingly strong, partly because an effective devaluation would have eased our entry into the Common Market. If wider considerations rule this out, Mr Barber should at least stick to the belief he expressed yesterday and insist that any return of sterling to a fixed parity allows for much wider margins of fluctuation.

LOOKING FOR A CURRENCY PACKAGE

The dilemma for Britain

Samuel Brittan, in Washington, analyses the role of sterling in the currency discussions that are to take place in the next few weeks

THE speech of the British Chancellor, Mr. Anthony Barber, at this year's IMF conference in Washington was a notably good performance. It was also a striking contrast to his speech at Copenhagen a year ago. While the latter was negative, defensive and contained too much dubious argumentation, his speech yesterday was constructive, well reasoned and took full advantage of the part presented for a British initiative.

The IMF and its member countries are now engaged in a search for ways of replacing the dollar as the main reserve asset and currency pivot of the world, and the Chancellor rightly devoted the major part of his speech to spelling out some detailed British proposals on how this could be done. The reform of the world monetary system will, however, be a lengthy business.

Embarrassing choices

In the meanwhile there is the immediate crisis arising from the Nixon measures of August 15 to be resolved. This is likely to present the British Government with an acutely painful dilemma very soon indeed.

Paradoxically, it is a much improved prospect of an earlier settlement of the immediate dollar crisis that presents the embarrassing choices for the British Government. There is now a much better chance that both the U.S. administration and key Congressional opinion will agree to a modest increase in the dollar price of gold. Whether this is done directly or via some indirect manipulation of IMF par value under article IV, section 8, of the IMF charter is a secondary matter, so long as it can be presented outside the United States as a major American contribution to a realignment.

The present "dirty" floating (Professor Schiller's phrase) has already led to a 6-7 per cent. weighted appreciation of the major currencies against the dollar. (This method of calculation is much preferable to an attempt to work out the total net devaluation of the dollar, which would be heavily influenced by the very large number of developing countries which would tend to stay with the dollar.)

A 5 per cent. increase in the official dollar price of gold from its present $35 level—which would be a symbolic gesture costing the Americans nothing, as they are not being pressed to reopen the gold window now, or perhaps ever—would by itself take the total appreciation up to 11 per cent., for there is good reason to suppose that the European countries and Japan would be prepared to add this 5 per cent. to the revaluation that has already taken place.

A total appreciation of this sort, whether or not completely satisfactory to the Americans, is at least within the area of realistic negotiations. If all goes well the meeting of "Working Party 3" in Paris on October 18 and the immediately subsequent Group of Ten Deputies should prepare the ground for a compromise on parity which might be hammered out at a Ministerial meeting in November.

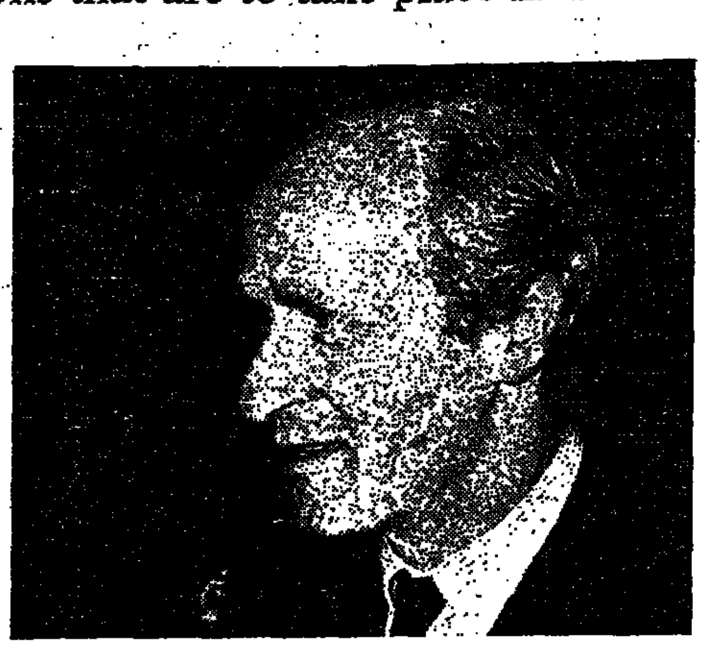
The real problem is how the total appreciation against the dollar is to be shared out among the main European countries and Japan. It is extremely difficult to see a satisfactory outcome without a substantial appreciation of sterling against the dollar as one element in it. To put together a satisfactory package, not only would a large Japanese revaluation be required but also a major upward change in the dollar parity of the "reluctant revaluers" such as Britain, France and Italy. Professor Schiller has already stressed that the 10 per cent. differential established by the D-Mark against the franc in the market is too large; and it is difficult to see the franc going up substantially if sterling stays put.

The IMF staff suggestion of a 7 per cent. revaluation of sterling against the dollar is at present regarded as simply "not on" by the British side (except in the context of quite improbably large Japanese and German revaluations). But it is difficult to see a settlement at very much less. There is almost no hope of fixing a 3 per cent. sterling revaluation (the present market rate) which would give Britain a net competitive advantage over the other major industrial countries taken as a group. Indeed, the U.K. would be very lucky to settle for as little as a 5 per cent. upward change against the dollar. This view is enhanced by the ill-concealed pessimism shown by the key officials of international organisations about obtaining more than a token contribution from concessions on trade and "burden sharing" over the relevant two or three years. This puts by far the major emphasis on the parity realignment.

There is already acute sensitivity at top Cabinet level to each 1 per cent. movement of sterling against the dollar in the foreign exchange market; and Ministers are also being advised that some net depreciation of sterling against the average of major currencies will be required some time between now and 1973. Yet the very best that can be hoped from the current negotiations is that sterling will come out all square in terms of a weighted average of the major currencies.

Mr. Barber was, therefore, in the remarkable position of having to explain to the IMF meeting that the British balance of payments was not as good as it seemed. This is a piquant and unpleasurable task for a British Chancellor, but it was also necessary in a negotiating context. The Treasury's standard model suggests that a mere return to a very modestly defined full employment position, plus a revival of stock building from its present extremely depressed level, would erode nearly all the present £800m. current surplus.

All this is without allowing for the fact that the pace of British inflation has, in the Chancellor's words, been "substantially greater than that of most other industrial countries." Both retail prices and the more relevant export price indices have in the latest available 12 month-period risen by 9-10 per cent. in the U.K. compared with 4-5 per cent. in the U.S. and among the general average of British competitors.



The Chancellor, Mr. Barber: a speech to the IMF which took full advantage of the part presented for a British initiative.

How sterling has floated

	£=		% change	
	Aug. 13	Sept. 28	since Aug. 13	on par value
U.S. dollars	2.41⅞	2.47¼	+2.5	+3.3
Canadian dollars	2.44⅞	2.50¼	+2.2	−3.5
Dutch guilders	8.37	8.33¼	−0.4	−4.1
†Belgian francs	120.05	116.72½	−2.8	−2.7
German marks	8.19¾	8.21	+0.2	−6.5
Italian lire	1,501¼	1,518	+1.1	+1.2
‡French francs	13.33½	13.69¼	+2.7	+2.7
Japanese yen	864¼	829	−4.1	−4.1
Swiss francs	9.82¼	9.83½	+0.1	+0.3

† Convertible account. ‡ Commercial account.

New working paper

For the moment this is boosting the value of British exports; the kick back on orders or on import substitution has still to come. On top of all this there is the impact effect on the balance of payments of EEC membership which will begin to build up in 1973. Indeed, it is now the conventional wisdom that a sterling devaluation would in any case have been required around about the time of entry.

A high-level British attempt has been made to bring these points more forcibly to the attention of OECD experts who are looking at the feasible contribution of individual countries in relation to the much-discussed $8,000m.-$13,000m. turn-round required in the U.S. balance of payments. A new working paper is being prepared for the October WP3 meeting. British experts emphasise that the time horizon needs to go beyond the year 1972 for which the main projection is being made.

Yet despite the formidable expertise being displayed on both sides, the "practical men" who in the end make parity decisions will be reluctant to disregard altogether the actual facts of the record British trade surplus in favour of hypothetical calculations showing a deficit. Nor are they necessarily entirely wrong. The history of balance of payments projections suggests that the actual position in 1973 will either be very much worse or very much better than officials at present expect.

The upshot is that British Ministers will have to choose between unpalatable options. The first would be to accept an "unfavourable" parity settlement (that is, a substantially appreciation of sterling against the dollar). They can hope that the Treasury forecasts are wrong in the right way! But they know that they could face the very real problem of having to make in relatively quick succession an unwanted revaluation of sterling against the dollar followed by an unpopular devaluation—the latter coming not long before an election. Political considerations apart, there are formidable problems in managing foreign exchange markets, even with the wider margins, in the face of widespread public discussion of a devaluation at an unspecified future date.

The second option

The second option is for Ministers to dig their heels in and refuse to accept an "unfair" settlement in the forthcoming discussions. Yet, could the British really contemplate blocking a world payments agreement, either themselves or in conjunction with France? If no announcement is made about the reduction of the U.S. surcharge by the end of 1971, major retaliation by other countries is almost certain. One should not forget, incidentally, that the surcharge is the symbol of a much wider range of protectionist measures in the Nixon package. British exports are in fact worst hit by the 1971 tax credit available only on domestically produced capital equipment. This, plus the surcharge, gives a total price disadvantage of 17 per cent. in a highly price-sensitive sector of Anglo-American trade.

The third option is to continue the sterling float until the outlook is clearer. I am unlikely to be accused of bias against this approach. But one must face the fact that not only is floating unpopular in the British Cabinet, but that there is a powerful prejudice against it on the Continent. This is based largely on highly disputable interpretation of inter-war history and a confusion between stable and fixed exchange rates. Nevertheless, it exists and it could be difficult to solve the present crisis if the U.K. attempted to stand out from a new settlement of parity. Whitehall probably underestimates the chances of being able to persuade the Europeans that the U.K. is a special case in view of the uncertainty about the correct parity at which to enter the EEC.

But the best chance of a continued float would probably be if British negotiators initially took a very tough stand on the size of the sterling-dollar revaluation and at the last moment offered a continued float as a compromise way out of the deadlock. The Americans are virtually indifferent about whether their partners float or revalue, or whether some do one and some the other, provided the total appreciation against the dollar is large enough.

There is also a fourth and more sophisticated option. This would be to exploit to the fu[ll] the new interpretation [of] Bretton Woods which has no[w] become fashionable. It wou[ld] involve combining the wid[er] margins of 2-3 per cent. wh[ich] we shall in any case have [on] either side of the new pari[ty] with a readiness to make time[ly] adjustments in the centr[al] parity itself without waiting f[or] overwhelming proof of fund[a]mental disequilibrium. If th[e] British authorities were willin[g] to contemplate parity changes [of] as little as 5 per cent. they cou[ld] be assured of very much small[er] changes in the actual moveme[nt] of rates in the foreign exchan[ge] market.

Such parity changes cou[ld] become normal events not a[ll] that different in nature fro[m] Bank Rate changes. Indee[d] with a system of this kin[d] official parity changes cou[ld] actually follow the lead of th[e] market and in practice wo[uld] exactly like a managed floati[ng] rate. The only difference is th[at] there would be somethi[ng] known as a "parity" for IM[F] and other accounting purpose[s] and the business communi[ty] would have the assurance th[at] there would be no wild or ve[ry] rapid exchange rate movemen[ts].

The adoption of this four[th] option would have a gre[at] advantage in the present conte[xt] of enabling the British Gover[n]ment to join the forces of the[se] favouring a major realignme[nt] against the dollar—and th[e] increasing chances of an inte[r]national settlement—knowi[ng] that a safety valve exists to pr[o]tect British interests. Althou[gh] this fourth option would co[m]mand a lot of support amo[ng] staff economists in internation[al] organisations and Governme[nt] delegations alike, there is ve[ry] little sign that the Brit[ish] authorities are prepared to co[n]template so bold a strate[gy]. Thus although my own pref[er]ence is for this fourth optio[n] the most likely result in practi[ce] is the first option—that is, a n[ot] very satisfactory parity adju[st]ment for sterling, with just [a] small chance of option numb[er] three, a continued British flo[at] as a last-minute compromise.

One notable reassurance

Despite all the difficulties [of] tactics and strategy, one nota[ble] reassurance was given in [the] Chancellor's speech. The [...] sentence states that "bala[nce] of payments difficulties" m[ust] never again "frustrate [our] efforts to secure sustain[ed] growth with steadier prices." [If] the Government has rea[lly] accepted the implications [of] these words, which were ca[re]fully considered by the Brit[ish] team, it indicates a radi[cal] departure from the attitude [to] exchange rates adopted by b[oth] Mr. Wilson and Mr. Heath [in] earlier years. It implies a de[ter]mination to approach [the] exchange rate as a ratio[nal] policy instrument rather th[an] as a prestige symbol, and ne[ver] again to go through the 1964[-67] trauma. These words will [de]servedly be quoted on m[any] subsequent occasions.

MEN AND MATTERS

Emphatically not an asset stripper

Yesterday's record interim figures from Lloyds Industries International are the latest episode in the eventful relationship between the company and its chairman, Mr. Tom Heywood. Lloyds, which is in car accessories, foods, and aerosols, and has a turnover running at £4½m. a year, came to the market in 1968 as a hive-off from Leonard Matchan's Cope Allman International. Cope Allman had taken it over, as Lloyds Packaging, only 2 years before, and at that time, Heywood was one of the group of younger directors on the Lloyds board who strenuously fought the Cope Allman bid.

Heywood had done 11 years with Procter and Gamble, and at Lloyds had already gained the distinction of organising one of the few U.K. marketing campaigns to become a Harvard Business School case study—the U.K. launch of Turtlewax car polish in 1962.

Despite his opposition to Matchan's bid, Heywood becomes the second Lloyds director to go on the main Cope Allman Board, a few months after the bid. About what happened over the next 18 months, he now has mixed feelings. As a marketing man, he learnt a great deal about the financial side of business, as all Cope Allman men do. But he and Matchan did not see eye to eye on a lot of matters.

During his period with Cope Allman, Heywood recommended that the company should hive off its consumer goods interests, since they did not fit in with the rest of the group, and his personal dilemma was resolved when he decided to go with Lloyds when it was sold off again. He renegotiated the agreements with Turtlewax and Dupli-Color (car touching-up paints) of the U.S. for 20 years, and each of these U.S. companies took a 6 per cent. stake in the newly independent Lloyds Industries International.

What Heywood took away with him from this episode was a certain distrust of pure finance men. While admitting that they have a useful function, he believes that there is a lot more to management than just finance.

Chewing it over

Indirect support for Mr. Prior's view that decimalisation has cost us all a lot of money comes from an interview in CTN, the confectioners', tobacconists' and newsagents' paper, with Mr. P. L. Davey, marketing director of George Payne, sweet makers. Davey thinks the rise in confectionery consumption can be put down to people not realising the value of the new small coins and so spending "recklessly." But he also thinks unemployment is a help, with out-of-work men and women eating sweets "out of sheer boredom."

Mr. Commercial Radio

A lot of pensive looks will come the way of Mr. John Thompson, newly appointed adviser on commercial radio to Mr. Chataway, Minister of Posts and Telecommunications. For having seen through the necessary legislation, Thompson may be expected to move across to the newly created Independent Broadcasting Authority to oversee, under the IBA's chairman and director-general, the detailed introduction of commercial radio into this country.

What some may find odd is that Thompson has only one year's direct experience of broadcasting, as a reporter on Independent Television News back in 1959-60.

But Thompson has done a lot of freelance broadcasting during his career as a journalist and publisher, and anyway the Government has a tradition of going outside the broadcasting industry for its senior broadcasting officials.

Thompson, 43, did four years at Glaxo before turning journalist, on the magazine Truth. Then came ITN, followed by two years as editor of the magazine Time and Tide, under the Rev. Timothy Beaumont as owner. After that Thompson joined the Observer, as effectively news editor and later editor of the paper's colour supplement. Last year he joined the British Printing Corporation, initially to look after the editorial side of the part works, but since the turn of the year (and since the steam went out of the part works market) as publisher and editorial director of the Macdonald books subsidiary.

Why the new switch? "A logical thing to do. I have worked both in print and in radio and TV, and done both editorial and managerial jobs." With his office actually at the ITA, Thompson expects that in setting up commercial radio "the purposes of public service broadcasting will be very much borne in mind."

Cables: "Hopeful, London, N.W.11"

One of my favourite eccentrics is Mr. John Goodman, a children's party entertainer from North London, who is founder and, so far, the chief celebrant of the World Association for Celebrating Year 2000. When we last talked, Goodman had been planting trees "in anticipation of a stable and prosperous world by Year 2000." He took them himself "in a bucket, a decorated bucket, to Edinburgh, Liverpool, Manchester and Newcastle, with a notice saying 'Millenium Tree'."

Goodman is now busy getting others to plant trees. Among the 90 towns and cities who are WACY 2000 members, Goodman says the most dedicated tree planters are the mayor of Queenscliffe in Victoria, Australia, and the town clerk of Legaspi in the Philippines, a man so carried away by hopes for 2000 AD that he has just organised a planting of 6,200 trees.

Now 42, Goodman says he started WACY 2000 in 1963 at the height of the nuclear scare, when "everyone seemed convinced the world was going to blow itself up. I thought we should prepare ourselves for the possibility that the worst would not happen. This was the biggest undisaster I could think of." His plans include persuading nations to co-operate in building a New Atlantis island in the Atlantic and he has got sites planned for national celebrations of the year 2000.

Goodman is using £3 worth of stamps a week, working through all the towns in his atlas asking them to join WACY 2000 and plant a tree. He thinks there is something in his being Jewish by race but brought up as a Christian Scientist which "makes him an optimist."

As others see us

Those naughty Parisians now have a sex shop near Pigalle advertising "Sexology, Eroticism, English Books."

Observer

COMPUTER PERIPHERALS

FINANCIAL TIMES SURVEY

COMPUTER PERIPHERALS II

The bill for imports still remains too high

By TED SCHOETERS

Five years ago some data processing industry observers in Britain and the U.S. were predicting for the period 1973-1975 the emergence of peripherals of many kinds—in the form of more or less remote terminals—as the hardware in which by far the largest share of business would be conducted.

It was anticipated that peripheral and terminal manufacture would carry the industry forward along a still very satisfactory growth curve after the inevitable levelling off in sales of the central processors which market saturation would inevitably bring about.

The head of the Burroughs empire, Ray W. McDonald, put the crossover point between sales of terminals and of central processors around 1973 and some observers expected to see the growth rate in sales of the latter to decline to a mere 7 to 10 per cent. compared with the 20-30 per cent. of the second half of the 1960's. McDonald acted accordingly and without the terminal business Burroughs won in Britain the company would hardly feature.

Utility concept

All this forecasting was linked intimately with the idea of the "computer utility," heavily promoted by the bureaux and the time-sharing community, according to which computing technology was moving quickly towards a situation in which a relatively small number of massive centres would serve the whole community. Users would, it was asserted, tap computer power as easily as making a telephone call and in the same way—by dialling a number.

The observers were right, but for the wrong reasons. Peripheral and terminal business is indeed becoming a most significant part of the computer scene but not because the computer utility is that much nearer. No one foresaw the American recession or could have anticipated its disastrous effects on the data processing community in the U.S. But survival tactics established there by users will undoubtedly be copied in Britain and Europe more and more closely if the present economic malaise deepens. It is certain that given the choice of replacing obsolescent equipment with a new computer system, or giving it a new lease of life with a cleverly designed peripheral costing far less, the user will plump for the latter. When the computer manufacturer cannot himself offer this solution then he has only his planners to blame. It is a sobering thought that if RCA had put its vast potential into the apparently humdrum work of making equipment to feed information to and extract processed results from the central computer, that prestigious company would not have had to abandon computer manufacture after having spent some $500m. on competing head-on with IBM, using designs of central processor closely similar to those of the big company.

Where the development will take the ICL, CDC, CII "Troika" is hard to say. ICL certainly had a useful peripherals export business to America but is heavily dependent—as is CII—on the U.S. company's products.

Even where the central processor manufacturer has a big range of equipment he is not yet home and dry—far from it. Many companies have sprung up and flourished on a single bright idea launched by a young designer who would have been shackled or stifled in any large organisation. These mushroom companies can and do compete with the largest organisations and, having a handful of successful products and low overheads, can cut deep into the price structures of the big companies who have to carry many less popular lines. In the meantime a vigorous market in used and refurbished peripherals is springing up, led in Britain by the Computer Sales and Services group.

"Users' lib" is going even further than anyone could have anticipated since such organisations as Computer Investors' Group are offering low-cost central processor memories to IBM users, while GTE can supply a whole teleprocessing complex to fit any given problem regardless of what the central computer is.

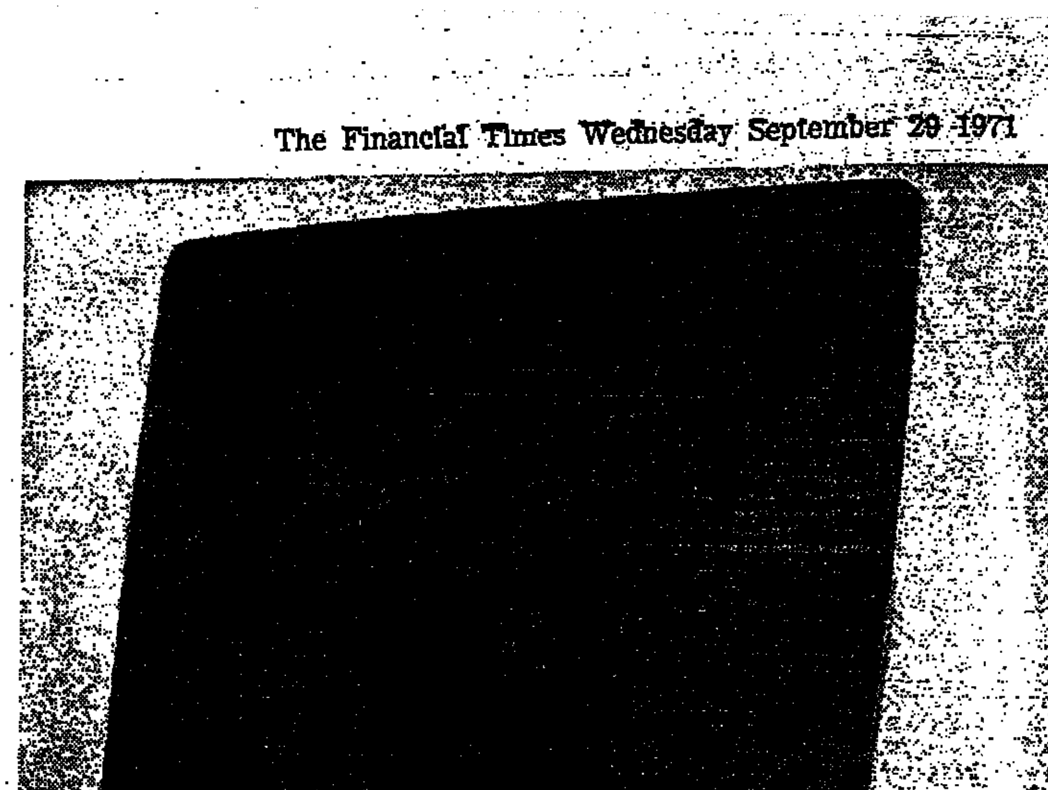
Market area

This area of the market—the company, bureau or government department network — is of primary importance in assessing the future, even though the "utilities" now evolving are still years, possibly decades, away from the computer grid system predicted five years ago. It has been the subject of intensive study by the Post Office in Britain and is to be examined for the whole of Europe on behalf of CEPT by PA International Management Consultants, reporting at the beginning of 1973.

So far as the U.K. is concerned, it could be said of projections for terminals that "the sky's the limit." The present base in Britain—the biggest user in Europe by a factor of five—is well over 14,000. A projection carried out on behalf of the Post Office by SCICON gives a mean for 1973 of 51,000, for 1978 of 234,000, and for 1983 of 434,000. Figures such as these appear to spell immense amounts of business for terminal makers. But SCICON, when it produced the report, in 1968, warned that forward figures were liable to error since they tended to show the continuance of a network heavily biased towards the slowest transmission speeds. Much more recently service company figures from the Department of Trade and Industry recorded only 700 units installed by bureaux.

Terminal equipment built around displays or having character rates of 120 characters/second is being brought in quite quickly and the need for a faster network is taken to have been demonstrated. It follows that the outlook must be for far fewer but much more sophisticated terminals and associated peripherals equipment. SCICON's own experience as to the mix of remote services it is selling is a valuable guide here.

But however the market develops, it will still represent a sizeable section of the data processing bill—in fact, imports into Britain of peripherals and of sub-assemblies for them are mainly responsible for the fact that the country's balance of trading in computing equipment is so heavily in the red. There is an urgent need for much more local assembly, if not manufacture, of the equipment used with U.K.-made central processors, particularly now that experienced users are getting far more out of their original computing equipment than the manufacturers ever bargained for.



The "Satellite" COM viewer, a specially developed 16mm microfilm cassette reader for Computer Output Microfilm material, has a wide screen to accommodate a full page of 132 characters wide and 64 lines deep. The film record is fully protected in the snap-in cassette.

The battle for supremacy

By GEOFFREY CHARLISH

Although no one seems to have conducted a precise count, it is likely that the number of independent manufacturers and marketers of computer peripherals in the U.K. has passed the 100 mark and may be approaching 150. In 1971 so far this newspaper alone has reported more than 50 significant new peripheral products. Five years ago the numbers of each of these manufacturers could have been counted on the fingers of both hands.

The growth can be ascribed to several causes including increased user confidence and experience, market opportunities seized upon by entrepreneurs in the big companies who left to start on their own, to "unbundling" by IBM, and to the high overheads generated by large companies.

In the 1950s and early 1960s, computers for general business use were still very much in the "new fangled" category and in those days users were bound to put themselves entirely in the hands of one or other of the handful of companies making central processors.

But as the hardware progressed and became more sophisticated, so did the people making it and, more important, those using it.

In the summer of 1968 IBM's sophistication extended to the point of deciding that its benevolence was exhausted, and that it would henceforth charge separately in the U.S. for hardware, systems engineering, field engineering services, software, and education. This "unbundling" move, probably the most significant in computer history, had a thunderclap effect the echoes of which have yet to fade. The results ranged from giant law suits against IBM to double-quick reorganisation of IBM-dependent data processing departments.

And so suddenly all the IBM users were forced to start thinking for themselves in a quite unaccustomed way. Mainly they had to think about IBM's unbundled items. But it soon seemed natural enough to think harder about peripheral price and performance as well, even though peripherals had never really been bundled by IBM in the first place.

Wider scope

Thus the gate was opened wider still for IBM and other big company peripheral experts to go off and start their own organisations (many had already done so) and for IBM users to do business with them where it made financial sense. With a tight money market in the U.S., this happened rather more frequently than would otherwise have been the case.

In the U.K., user self-reliance has not really reached U.S. levels and unbundling has not been officially declared by IBM in the U.K. and Europe in any case, although it appears that new systems are being negotiated on an unbundled basis. The emergence of one U.S. peripheral outfit or product after another in the U.K., however—quite apart from the new U.K. ones—is a clear indication of what is happening. With the prospect that sizeable numbers of IBM-oriented users will be wanting to negotiate hard bargains in peripherals, remembering that IBM has an 80 per cent. total market share, and assuming that in the medium and long term at any rate the market is inevitably expansive, then no one will be surprised to see more and more companies jumping on the peripheral bandwaggon.

Wide range

The range of opportunities is certainly wide. Although punched cards and paper tape are bound to bow out gracefully before long, magnetic tape and disc are certainly providing a compensating growth market in terms of both the store and the direct keying devices to access it. Terminals of various kinds are becoming more and more important, in particular the "intelligent" terminal (for example one with storage and processing power) which enables the central processor to be relieved of tasks not worthy of its time, and makes it that much more efficient — possibly staving off the day when it needs to be replaced by a more powerful machine.

Remote terminals and indeed all kinds of equipment associated with remote time-shared operation of the CPU are bound to comprise a burgeoning market as DP people seek to exploit large central units to the utmost. Data transmission as a whole will become a bigger market area and the borders between peripherals and telecommunications manufacture are likely to become blurred — additionally so because telephone exchanges (leaving aside eventual data exchanges) are going to turn essentially into computers.

To help the dialogue between people and computers, visual display units allowing real-time conversation, that is, question and response on line with the machine, are inevitably a growing market and will begin in due course to seriously erode the position of typewriter-like devices. Optical character recognition, and microfiche for rapid access of computer read-out are also notable growth areas.

Whether the multitude of companies competing will all succeed is another matter. Price wars in the electronics industry as in any other, are not nice to behold. The most recent one has been in integrated circuits, in which the market and R and D cost considerations seem to indicate the success of international companies with large market bases. Computer peripherals are hardly in the same category, but what parallels there are on IBM's side. Working against IBM of course have been its own "gentle grey giant" characteristics which it is now seeking to modify by profit centering its unbundled products and services and by generally taking a more self-assertive stance in circumstances to which ten years ago it would have shown itself indifferent.

The fact is that IBM is now in a price war. Studied consideration for the independents in the face of a U.S. Justice Department armed with anti-trust reminders is becoming a thing of the past, and it looks very much as if IBM's current mood is to go out and take what it believes to be its own.

The first shot was fired with IBM's unbundling, in which their hardware prices were in fact reduced, although the effect was lost in a welter of other cost considerations for American users. Then at the end of last year tape and disc drive reductions of up to nearly 20 per cent. were implemented by IBM that were clearly designed to make these units more competitive with the products of a growing band of independent disc and tape suppliers.

Independents' action

But the independents cut their prices too, and in May of this year came another move from IBM, with peripheral price cuts ranging from 8 to 16 per cent. Like all decisions of this kind, it must have been minutely pre-analysed by the corporation and the prediction made that revenue loss would be made up for by new business and by those returning to the fold. There must also have been some shortened finger nails on the basis of how the Justice Department would react, and this indeed could easily turn out to be the key to the whole situation.

Undaunted, however, several of the independents have returned IBM's fire with yet more reductions and one at least—Telex Computer Products—called a Press conference in London to announce the fact. Others, including Potter in the U.K. have since indicated that they have followed suit. In most cases they have claimed that their prices, after reduction, remain below those of IBM, and they also maintain that they are offering superior equipment.

IBM's position is interesting. In the ever-present shadow of the Clayton and Sherman anti-trust Acts, in the U.S. it has to tread between the trip wires with great care. Just what the Justice Department can do became very clear recently when it finally struck an agreement with ITT—another juggernaut albeit running on different wheels—in which that corporation will have to give up large areas of its empire in exchange for final possession of Hartford Fire Insurance.

Further factor

Another point is that IBM European managers, understandably, might like to be able to do different things from their U.S. counterparts.

Although IBM is beginning to build some peripherals into its main frame products, the main battles seem bound to be fought on price and performance.

It's a big enough market however. To judge by American figures, and predictions there will be a good deal of room for competitive activity. A recent survey by Frost and Sullivan indicates that the OCR market in the U.S. will go from $300m. in 1970 to $2,000m. in 198[illegible] micrographics (computer output microfilm, viewers, storage and retrieval systems) from $500m. to $2,300m. and terminals will go to $3,000m. representing a ten times increase in the number in use at the moment. These figures indicate a five to seven times increase in peripherals business by the end of the decade, and the trend in the U.K. is likely to be similar.

Peripherals in some existing networks already account for over half the outlay of money. Several observers predict that 60 to 70 per cent. of hardware sales by 1980 will be in that area. That is the size of the future market.

Wiring up a terminal in the Mohawk series made at the Eaglescliffe, County Durham plant of Mohawk Data Sciences. MDS, which has just opened a new 40,000 square foot extension to its Durham plant, has also launched equipment intended to improve the power of obsolescent computers to such an extent that it gives them an entirely new lease of life. This equipment is the MDS 2400 which can take over from the central computer all the work of handling printers, tape decks and data terminals.

COMPUTER PERIPHERALS III

Growing popularity of off-line systems

By PIERCE C. HAZELTON, Scandinavian Information Processing Systems

The idea of relegating low-speed operations to off-line equipment is by no means new; it goes back, in fact, to the first commercially available computer. To-day, with computing costs skyrocketing, the off-line concept is more relevant than ever.

The off-line system, which recognises the fact that the data transfer rate, rather than the processing speed, determines how fast a job gets done, is an answer to the input/output bottleneck.

Even with the fastest card readers and line printers, serious traffic jams are unavoidable in the computer room, be cause electromechanical devices simply cannot keep up with the central processor. Magnetic media, on the other hand, provide transfer rates which are compatible with processing unit speeds.

Time savings

The time savings made possible by conversion of data to and from magnetic tape, for example, are striking. Thus, if we assume that a card reader can transfer data to the computer at 1,600 characters a second, then conversion of this data, before input to the computer, to magnetic tape with a transfer rate of, say, 120,000 characters a second will increase the input rate by a factor of 76. Similarly, with a line printer operating at 2,200 characters a second, use of magnetic tape as an intermediary will increase the output rate 56 times. Off-line conversion, therefore, has become a basic technique for increasing the overall efficiency of computer installations.

The Danish computer manufacturer, Regnecentralen, has long been an advocate of off-line support systems. As early as 1963 the company decided to remove all time-consuming input-output jobs from its main systems (Regnecentralen also runs service bureaux, eight in Denmark, with altogether a dozen computers) rather than pin its hopes on the advent of faster on-line peripheral units; and rather than use a general-purpose computer for the task, Regnecentralen developed an inexpensive data converter.

This off-line converter, the RC 3000, is in itself a general-purpose system. Thus, apart from a 7- or 9-track magnetic tape unit, a large variety of input and output devices may be connected to it as well as *controllers for data communications*. As an extension of this first support system, Regnecentralen recently introduced a general-purpose system based on a programmable processing unit. The new support system, the RC 3600, not only converts data record images from one medium to another, as its predecessor, but also preprocesses input data for the computer and accepts raw output data from the computer for subsequent processing.

Regnecentralen finds that the off-line way of thinking has suddenly begun to make sense to large numbers of computer users, particularly those having large multi-programming systems. Other manufacturers, too, have perceived this trend, which may be seen from the appearance on the market of numerous off-line data preparation systems and, more recently, off-line printing systems. It would seem, now that the computer has become an everyday tool, that more and more users are beginning to think of data processing operations in terms of cost-effectiveness, and are, therefore, increasingly interested in systems which make the total flow of a job—from preparation, through processing, to output — as efficient and cheap as possible. Those who might benefit from use of such systems fall into two categories.

The first category comprises users of large multiprogramming systems with spool mode administration (IBM System/360 models 40 to 195 and System/370). Here, an off-line support system can — in the majority of cases — provide a cheaper, simpler, and more effective means of increasing capacity than adding further on-line peripherals and core storage to the existing main system.

The addition of on-line printers—if we consider printing, the commonest form of output, as an example—normally requires more core storage for adequate functioning of the operating system (thus, an IBM 360 with OS approximately *15,000 bytes per printer*). At present, however, additional core storage is only available in large, expensive increments (128,000-192,000 bytes).

Little software

The support system, being based on comparatively inexpensive equipment (that is, minicomputers), and requiring relatively little software in order to perform its limited functions, can provide the desired increase of capacity for—roughly speaking—50 per cent. of the cost.

Apart *from such savings*, however, the user of the large multiprogramming system might also consider the following: On-line printers are frequently the cause of main system down time; removal of this mechanical, and hence unreliable, function from the main system will increase total system reliability. Operator training for a large multiprogramming system takes one or two years; support system operators can be trained in a few weeks. Physical removal of the printing function from the computer room provides numerous advantages, among them the possibility of improving data security.

Finally, the off-line support system can often simplify job scheduling in a multiprogramming environment. Let us assume, by way of illustration, that a user requires more copies of a report than can be produced in a single print run. If off-line facilities exist, the relevant data can be output—once and for all—on magnetic tape, after which the required number of reports can be printed whenever convenient and without further involvement in the main system.

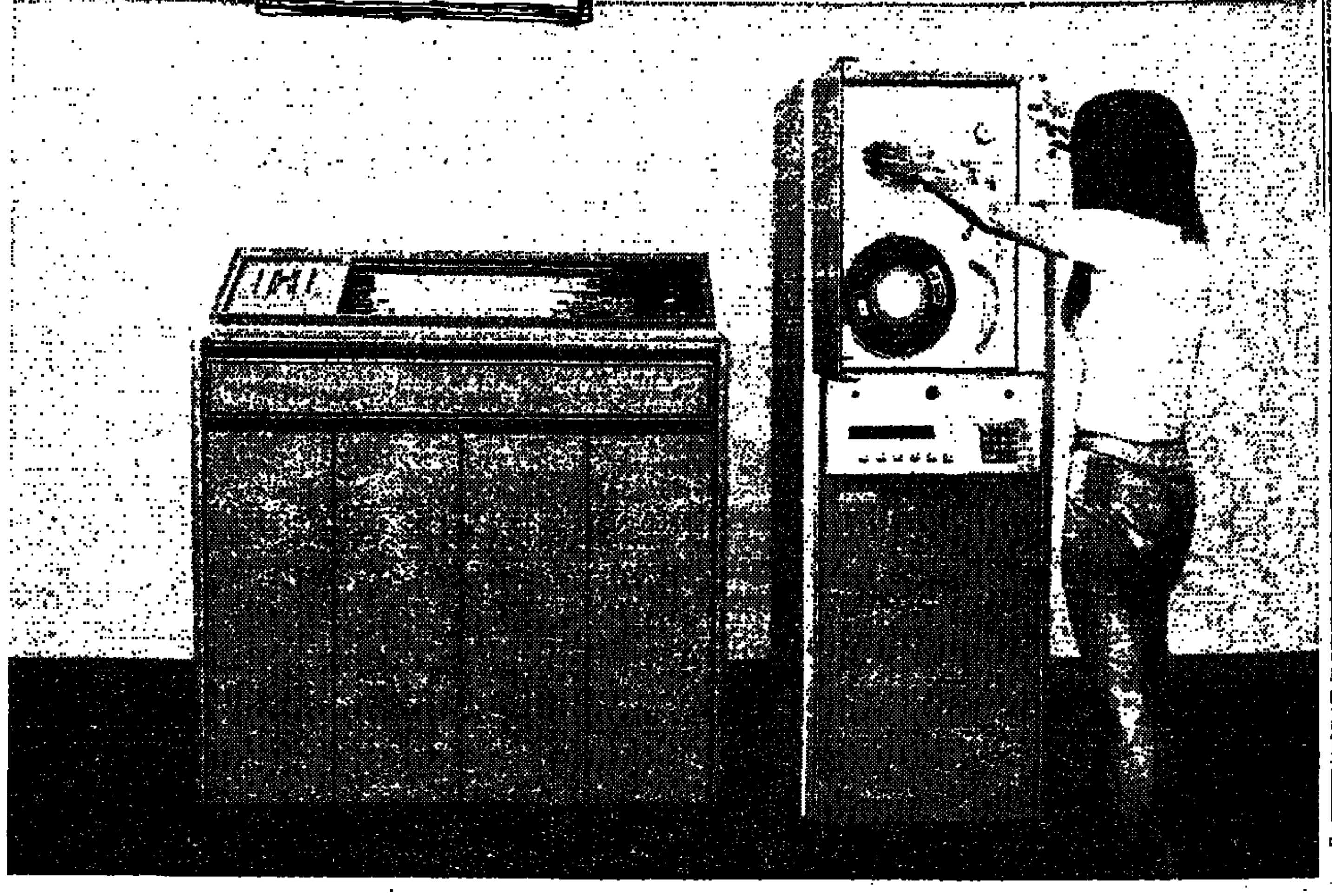
The second category comprises users of small and medium size computer systems (IBM System/360 models 20, 25 and 30, Siemens 4004, the Univac 9000 series, ICL System 4, and others). Here, too, an off-line support system can provide an economic means of getting more processing done on existing main systems; users in this category, however, have hardly begun as yet to think in off-line terms, and, for this reason, the greatest potential *for support system applications may well be found here.*

The main system load of many users may be divided into three main types of job: input/output processing, sorting, and multifile processing. The support system, by providing complete data and file format compatibility, can perform about 90 per cent. of all jobs involving one input file and one output file *just as* efficiently as the computer itself. Thus, if we take printing again as an example, the support system can accept unedited data in main system code and format, collect data fields from preceding records, and select, edit, or zero-suppress them to form the required lines of print.

Service bureau

It is, therefore, possible for the user, when facing an overload on his main system, to transfer the input/output processing to the support system, and thereby *release about 30* per cent. of existing capacity for sorting and multifile processing.

In conclusion, a third user category might just be mentioned, namely, the service bureau customer, who also may benefit from use of a support system. For example, by doing his own input/output processing, he can reduce purchased computer time, retain original documents on his premises, and exercise greater supervision over the production of reports.



Regnecentralen's RC 3600 support system with line printer.

Meeting the business users' demands

By P. A. McDONALD, Director and General Manager, S.E. Computer Peripherals

The common complaint of the sixties among business computer users was the sacrifices they were expected to make throughout their organisation in rearranging it to suit the requirements of a "standard" data processing system. Now, following a decade of critical appraisal of the role of the computer, and no longer awed by these expensive, demanding, "number-crunching" systems, users are making much more mature judgments.

Three factors have stimulated the change: the growing realisation that a computer should serve the particular requirements of the user-organisation —not the converse: recognition that its capabilities can be harnessed to a much wider range of tasks than the traditional payroll and accounting functions: and the availability of new forms of computer peripheral equipment, especially the visual display terminal, which serves as a "window" into the computer, covering every aspect of the business.

This is having an important impact on the marketing of computer systems, reducing the influence of the central processor in dictating overall system design. Instead, user demands are exerting stronger influence.

Raw materials

A company's competitive survival depends on accurate management information, production control, order processing, control of raw materials and stock, dispatching and warehousing. Yet, under traditional time-consuming methods of off-line batch processing of data, the contribution made by the computer to many of these areas was minimal—at best based on historical or predictive calculations, presented in a way which frequently confused rather than aided the employees responsible for those areas. This has produced increased pressure for real-time systems, providing straightforward operation, able to integrate an organisation's everyday data input and output requirements into a dynamic system.

Visual display terminals have been the key: providing the essential, functional link between the central processor and even remote areas of an organisation over telephone lines or other communications networks. This allows commercial, production or administrative personnel to communicate with the computer in plain English, without needing special skills or training. There is no waiting time, no need to go through intermediaries: essential, up-to-the-minute data is at their fingertips.

This is changing the role of the central processor: as the power-house of a communications system interconnecting an organisation's total data operations it becomes increasingly a routing and selecting unit for data file access and information up-dating—in practice serving as a powerful data-bank on which users of the visual terminals may call at will. Paradoxically, this reduces its importance, relative to the other aspects of the system. With the accent first and foremost being on the speed and accuracy of data input and retrieval, and the linking of many operations to the computer

Continued on next page.

COMPUTER PERIPHERALS IV

'People handling' visual display

By ALAN T. HOUSLEY, Senior Applications Engineer, Automation Systems Division, Ferranti Ltd.

Cathode ray tube displays have been available for many years in a form which will display information generated by a computer. These have been used mostly by computer operators as a media for displaying the contents of stores within the computer. Rarely were such displays used for showing information in plain language, usually it was in a dot binary coded form only intelligible to skilled operators.

During the last 5 or 6 years it has become increasingly rewarding for non-computer personnel to be able to communicate with a computer, often on a large scale. This must be in plain language and will consist of a two-way flow of questions and answers culminating in either a statement from the computer or a new item of data to be stored in the computer's memory banks. There will be no need for a printed record of many of the questions and answers and thus a keyboard and a cathode ray tube display—commonly called a Visual Display Unit (VDU)—both connected directly to the computer are required. The computer can print on a convenient printer any relevant information which may subsequently be needed in hard copy as required in particular circumstances but it will not be committed to print out every detail in a transaction with an operator.

BOAC's BOADICEA system in operation

Speed advantage

Immediate advantages of the VDU over the traditional methods of communication via a printer with keyboard are apparent.

1—Speed of Response. Printers operate at 10 to 40 characters per second and even high-speed communication lines will not improve this. It is possible to display on the screen of a VDU a message of over 2,000 characters in less than one second—delays in transmission of messages over communication lines and the search times within the computer stores now become significant.

2—Silence of Operation. A printer operating at 40 characters per second can sound like a machine-gun if sound-reducing covers are not used. Apart from the low-level hum from possibly a small cooling fan in a VDU, the VDU is silent in operation. An office with many VDUs is habitable whereas one with many teleprinters continually in use is not.

3—Paper production. A printer is an avaricious device for paper and unless firm control is maintained, vital information can quickly be lost in a sea of paper. The VDU does not consume paper.

4—Ability to backtrack. Once a line has been printed on a page and the feed mechanism operated, it is very difficult to backtrack and insert information as a result of a subsequent question. The VDU does not have this limitation.

5—Messages to be sent from one place to another can be edited fully before transmission by the operator thereby making most efficient use of communications lines and providing clear straightforward messages at the destination.

These are only a few of the advantages of the VDU over the printer but the printer will continue to play a significant role in the computer field.

There are many applications for the VDU connected to a computer in modern every-day life. It plays a most valuable role in the airline industry and BOAC have put it to good use in their BOADICEA (British Overseas Airways Digital Computer for Electronic Automation) system. This system uses nearly 1,000 Ferranti visual display units situated in various BOAC offices throughout Europe and North America for use by booking clerks to enable them to communicate directly with the BOAC reservations computing complex at London Airport. A customer in (say) Miami, U.S., can, through the Miami office inquire of the availability of a seat on any BOAC flight throughout the world and get confirmation of a booking within seconds. As the reservations clerk is discussing with the customer his requirements (either over the counter or by telephone), she is interrogating the London computers with questions inserted on her own VDU by her own keyboard. The response time for answers to these questions will only be 3 or 4 seconds, considerably less than if she had to look up flight details in an operations manual and certainly more up to date and correct. A typical reservation sequence would be as follows:—

A customer asks for details of flights from London to New York on June 6 around midday. The reservations clerk will first type "A" for availability, "LON" for London "NYC" for New York, the date and the approximate time of the flight. This appears on the first line of the VDU screen as—

A 06 JUN LON NYC 1200

After checking that this is correct, the clerk will transmit the message to London by pressing an "ENTER" key on her keyboard.

The London computers will reply with a list of possible flight numbers, giving in each case the number of seats currently available, their class (first or economy), together with the date of the flight and code names of the airport.

06 JUN
1—LHR JFK 06 1100 06 1340 F7Y7 BA501 SVC
2—LHR JFK 06 1500 06 1740 FOY4 BA509 707

If the customer selects a particular flight, the clerk will key in the number and class of seats required with reference to the appropriate line.

N2Y1

The ENTER key is pressed and back will come a confirmation that the required number of seats have now been sold.

BA 501 Y 06 JUN JFK
LHR HS2 1100 1340

Further details are keyed in by the clerk, the name of the passenger, telephone number and any other relevant information and a final code letter "E" denoting end of transaction. This will get a response from the London computers of "OK" indicating acceptance of the booking.

Theatre booking

Other uses for VDU's in this roll are for theatre booking agencies, hotel reservations and for many other organisations which sell accommodation of one type or another to the general public. The booking agency who can quickly and efficiently answer a customer's questions, lessen his anxieties and supply him with a firm reservation is the agency which is going to expand and survive at the expense of his competitors. An empty seat in a theatre or on an airliner or a room in an hotel can represent a loss of revenue to the operator from a few pence to several hundreds of pounds and this is revenue that is lost for ever. If the operator can fill that seat at the expense of his competitors by having a more efficient and customer-attractive reservations system, then the end result should be obvious both in profitability to the organisation handling people and the satisfaction of the people being handled by the organisation.

Business demands —*(Cont'd.)*

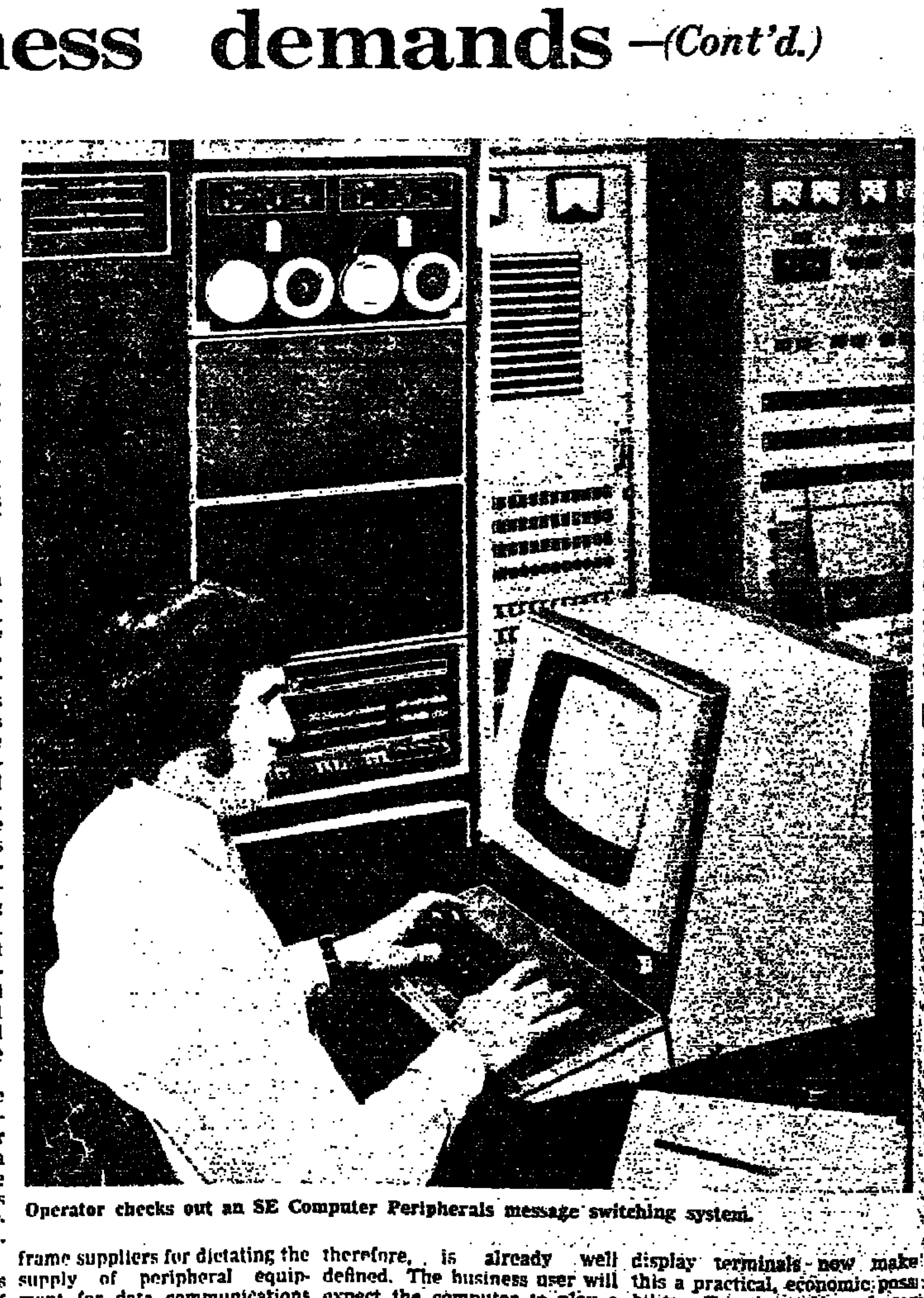
Continued from previous page

through visual display terminals and a communications network, a significantly different set of financial considerations emerges. Now, the total cost of the remote terminals can exceed the cost of the complete central processing installation, especially if some degree of local "intelligence" is built into the terminal units. Remote station equipment comprising keyboard, visual displays, a microprocessor and a hard copy printer is available in the form of compact terminals, capable of performing a number of data editing and pooling functions locally in addition to the role of communicating with the central processor.

In several dynamic data handling networks now operating, the central processor represents as little as 20 per cent. of the annual operating costs. The terminal equipment accounts for a further 30 per cent., the costs of the staff using the terminals for 30 per cent., while the operating costs of the communications network itself equal those of the central processor. Thus, the areas where the principal operating economies can be achieved are in maximising the efficiency of the operating personnel and minimising the costs of communication. These factors are almost entirely dependent on the performance of the terminal and its ease of operation, so that the selection of the terminal becomes of primary importance in systems design.

This, clearly, threatens the traditional power of the computer main frame manufacturer and is bringing into the open a conflict of interests between the computer and communications industries, over who will determine data transmission standards

In the U.S., for example, it is expected that 60 per cent. of computers will be linked in with the telecommunications network by 1975. This will destroy the principal argument of the main-frame suppliers for dictating the supply of peripheral equipment for data communications systems, as they have successfully done in the area of batch processing.



Operator checks out an SE Computer Peripherals message switching system.

The pattern for the Seventies, therefore, is already well defined. The business user will expect the computer to play a much more extensive, cost-effective and dynamic part in his overall data handling problems; the availability of visual display terminals now make this a practical, economic possibility. Together, these factors give the user a much more influential voice in determining the system which best suits his individual business needs.

COMPUTER PERIPHERALS V

Optical characters as an input solution

By W. H. CARSBURY, The Plessey Company Limited

One of the biggest problems facing the computer user to-day is getting data into the computer. The traditional method has involved manual key-punching on to punched cards which are then read by a punched card reader. With the development of optical character readers (OCR) in the later 1950s, an alternative method of data preparation became available which enabled typewriters and other printing devices to record data in human readable form and which could also be read by machine. Despite large-scale commercial developments during the 1960s, optical character readers are only now beginning to gain acceptance as a viable and economic solution to the computer input problem.

One reason for the slow take-off of OCR was the emergence of more sophisticated but less flexible input systems such as magnetic incoding equipment and optical mark readers (OMR). Magnetic encoding systems enable data to be transcribed from a typewriter keyboard direct to magnetic tape or disc. Because typing is faster and more efficient than keypunching, these systems increase throughput, reduce data preparation costs, and obviate the need for skilled keypunch operators.

Detecting marks

Optical mark reading systems can detect the presence, or absence, of printed or pencilled marks on documents. The marks may indicate a selection from a matrix of alpha-numeric data or may take the form of a bar code representation of the required information. Machines are now available which print characters and their bar code equivalent simultaneously; data is, therefore, presented in human readable form which can also be read by a simple bar code reader.

The first significant market penetration by OCR, appears to have been achieved by powerful multi-font readers for GIRO and bureaux type applications. The Swedish Post Giro first started to use OCR in 1964: to-day their multi-font readers handle a total of 40m. documents a year. Similar equipment is now being used by the British Giro system.

The potential OCR user is now able to select his system from a wide variety of machines; they range from special purpose single-font document readers reading one or two lines of data, to general purpose multi-font page readers reading many lines of data up to full page size. The more powerful systems can read several diverse fonts, often both upper and lower case characters, and some can read handprinted characters. Consequently, the user can now choose the system most suited to his needs—a numeric only document reader, for example, as opposed to a full alpha-numeric machine. This enables the full power of the recognition logic to be devoted to detecting a limited range of characters, resulting in a substantial improvement in performance. It will also allow a greater tolerance to variations in print and paper quality which is particularly suited to applications where the source document is produced by a line printer.

The performance of an OCR reader cannot be defined explicitly because of its dependence on print quality. If the source documents are prepared on an electric typewriter using a total transfer ribbon the print quality will be consistently high. If they are prepared on a line printer, then print quality will depend on ribbon age, the standard of maintenance, and the type of line printer used.

Chain printers, for example, tend to cause horizontal smearing, whereas drum or barrel machines are characterised by vertical smearing or "ghosting." The effect of ribbon wear was investigated by R. K. Gerlach who found that after the first impression the character had a limb width of 0.028 inches and absorbed 90 per cent. of the incident light. After 25,000 impressions the limb width was 0.015 inches and absorbed 50 per cent. of the incident light.

Finally, after 100,000 impressions, it was impossible to obtain a consistent figure of limb width and absorbed only 20 per cent. of the incidence light. Yet all these characters were easily recognisable by the human eye.

The most successful OCR applications are those in which the reader is considered as part of an integrated business system, and in which all necessary steps have been taken to maximise overall system performance. The U.S. Department of Agriculture, for example, having decided to use OCR, gave careful consideration to form design and paper quality, selected electric typewriters for data preparation, and carefully control ribbon usage. A U.K. user who employs handprinted source documents is prepared to train and retrain staff at frequent intervals to ensure that performance is maintained at about 99 per cent. Another U.K. user has stipulated that whenever documents printed by line printer are to be read by an OCR machine, the ribbons are only used for a limited number of impressions. In all these cases, the apparent costly modifications to the overall business system are more than compensated by the economic advantage of using OCR.

Greatest economies

The greatest economies can be made in applications where the source document can be used as the input to an OCR reader. The annual costs of keypunching including overheads, supervision and equipment charges are roughly £1,800 per operator. Assuming each operator produces four key depressions per second, and an operating efficiency of 80 per cent. throughout an eight-hour day, the output per operator is about 50,000 verified characters per day. For a five-day week and a 47 week working year, the output per operator is some 12m. verified characters per annum. The cost of keypunching is, therefore, approximately 15p per 1,000 verified characters.

An OCR document reading the ECMA "B" font numerics system reading would cost in the region of £40,000. Amortised over three years the annual charges are £13,350. With one machine operator and a typist for typing reject documents at £850 per annum each, overheads at 100 per cent., and service charges of £1,000 per annum, the total annual charges are about £18,000.

Consequently, the break-even point occurs when the number of keypunch operators exceeds ten. An equivalent system reading the ECMA "A" font numerics would cost approximately £25,000; the break-even point is then eight keypunch operators.

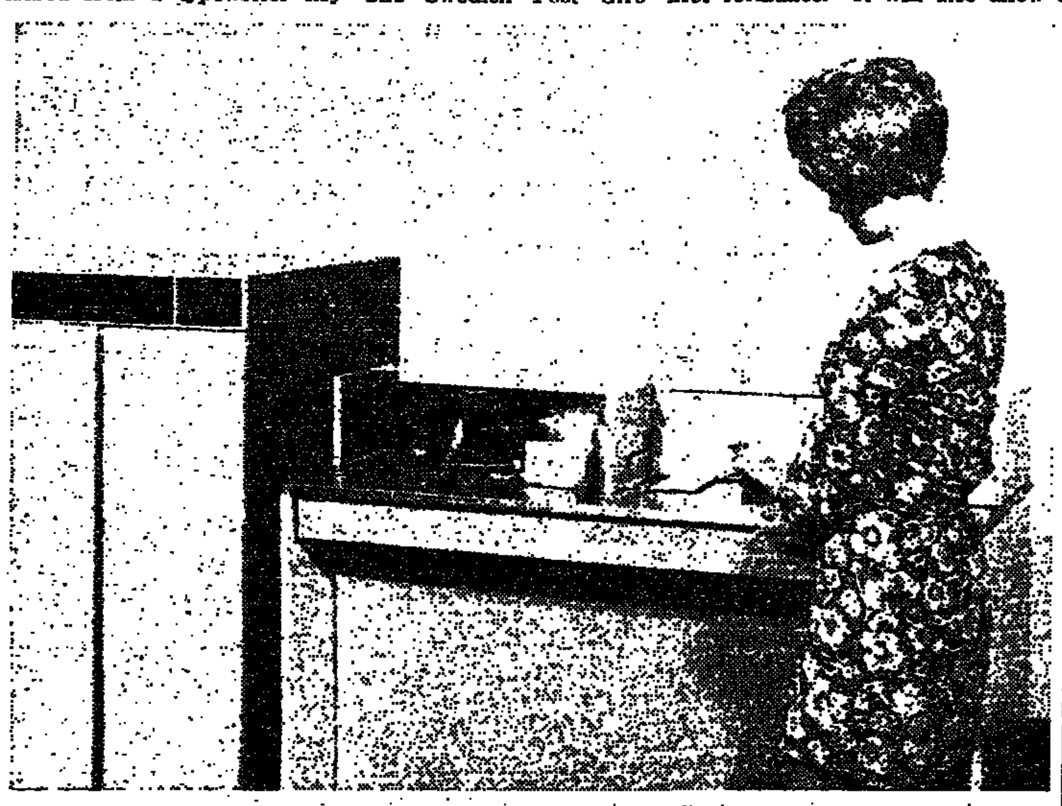
Such machines have a potential throughput of 1,200 documents per minute, and assuming an average of 50 characters per document, the throughput of the OCR document reader would be 60,000 characters per minute. This is equivalent to the output of about 500 keypunch operators.

It is always difficult to predict the future but the historical development of the computer industry offers a useful guide. There will continue to be a demand for large and sophisticated multi-font readers for bureaux and GIRO type applications. They will be developed and extended to provide a time-sharing service to remote readers where the encoded character image will be transmitted to the central recognition equipment for further processing.

There will be an increasing number of special-purpose single-font machines devoted to specific tasks which will result in a dramatic reduction in system costs. Such a machine has already been developed for the printing industry which uses a simple reading head and a sophisticated software package for the recognition process.

The greatest breakthrough will occur with the development of truly low-cost machines, with a performance suitable for general business administration. They will have applications in any business sector where the return of a document signifies that some transaction has been completed. This may be a hire-purchase payment, a stock transfer, a sale of goods, or a passenger boarding an aircraft.

With the present world-wide expenditure on data preparation by keypunch and verifier devices exceeding £1,000m. per annum, there is now ample evidence to show that the technology has matured to the point where OCR offers a reliable and economic alternative which should substantially reduce these costs.



The Plessey OCR 4200 B Document Reading System.

Cathode ray tubes for fine design

By PETER WILBOURNE, Technical Manager (Products), Data Systems Division, Cossor Electronics Limited

The aim of engineering design is to provide drawings which define the product to be manufactured. A computer can assist the engineer by relieving him of the more tedious design evaluation and detailing work. The Cathode Ray Tube (CRT) display is playing an increasing part in computer-aided design by allowing the designer to see and take part in the work done by the computer.

Regardless of the complexity of a design problem, it is possible to express its parameters in mathematical terms suitable for computer processing. The designer can then steer the computer through the problem by interaction with the machine during the design cycle. Once the design is established the computer can be left to process the data through to the required level of detail.

The CRT graphic display takes the numbers and instructions output by the computer and converts them so as to provide the designer with a means of visualising the problem, which the computer handles in an abstract mathematical form.

How it works

A graphic display forms an image by moving the CRT beam across the tube face in the same way that a pen moves on paper. Connected lines are drawn in sequence to produce a picture which can be the precise equivalent of a conventional drawing. The designer can add to or modify the picture seen on the CRT by using a Light Pen or Tracker Ball with an associated keyboard. The Light Pen is an opto-electronic device, which when pointed at the screen of the CRT produces an electronic impulse as the brightened CRT beam passes within its field of view. The picture point is identifiable by its known time relationship to the rest of the picture. A Tracker Ball is mounted within its housing so that it rolls in contact with two orthogonally positioned spindles from which N-S and E-W movements are sensed and converted to two voltages. These together define a position at which a marker is displayed on the CRT face.

Numbers representing the market position are sent to the computer as the operator manipulates the Ball. By typing on the keyboard the designer instructs the computer to make a change at the designated point and by this means he can "draw" on the tube face. The difference between this and drawing on paper is that the points on the CRT drawing have numerical equivalents in the computer. In most applications the designer requires written information alongside the line drawings. The display hardware generates the signals which cause the CRT beam to write letters, numerals and other symbols to form text. Commonly, over 1,000 characters are required to supplement the line information in a drawing. The characters may also be used by the computer to give instructions to the designer or offer him alternatives.

The design of CRT displays has advanced to keep pace with the need to provide more complex pictures. Advances have been made in picture size and quality, and in the amount of data displayed. Although there is almost no limit to the quantity of displayable data, the human eye determines a virtual limit. Since the CRT displays data for a very short time the eye begins to see flicker when the picture is presented less frequently than 50 times per second, and the flicker becomes objectionable at rates lower than 30 times per second. The faster a display writes, the more data it can show without flicker.

It is necessary to make the picture as accurate as possible so that design errors will not be masked by display errors. A complex outline may be drawn to an accuracy determined by the closeness of separate points which the computer can define on the screen. Typically there are over a million addressable points in a displayed square area of 35 by 35 centimetres (14 by 14 inches), the points being ⅓-millimetre apart in the N-S and E-W directions. The spacing of the points does not represent a significant disadvantage since the computer can draw the picture to a scale giving the required level of detail. The designer may select any portion of the item in fine detail as if the display screens were a small window moveable over a large area. Zoom effects are also available to him so that from an overall view of the item he may zoom in to a detailed view of a small part. The picture need not be restricted to the classical elevations of the standard engineering drawing, since suitable programming can produce pictures as seen from any viewpoint. By slightly altering the viewpoint in response to movements of the Tracker Ball, the object can be seen in animated perspective, rotating about any axis. This permits the study of the surface of a solid object without making a model or producing three-dimensional views.

Better facilities

Suitable software can give the operator facilities to do more than study the appearance of the item shown on the CRT. The consequence of each design action can be explored to any depth. For instance, stress calculations can expose inherent design weaknesses, so that errors may be rectified before the design is finalised.

The final design will exist not only as a picture on the CRT but also within the computer as a mass of detail which can be processed into a form suitable for use by the manufacturing department. Increasingly, mass produced items are being manufactured by the use of numerically controlled machinery such as millers, grinders and drilling machines. The paper or magnetic tapes required for input to the NC machines are produced by computers capable of operating with CRT displays. It is therefore possible to implement systems in which the CRT graphic display combines with the computer and its programmes to produce a design in a form suitable for direct application to the manufacturing machinery, and the same computer can drive an automatic draughting machine which creates a hard copy. The CRT graphic display, by enabling the designer to visualise and manipulate computer data, plays a fundamental part in this design concept.

COMPUTER PERIPHERALS VI

Upgrading systems at a low cost

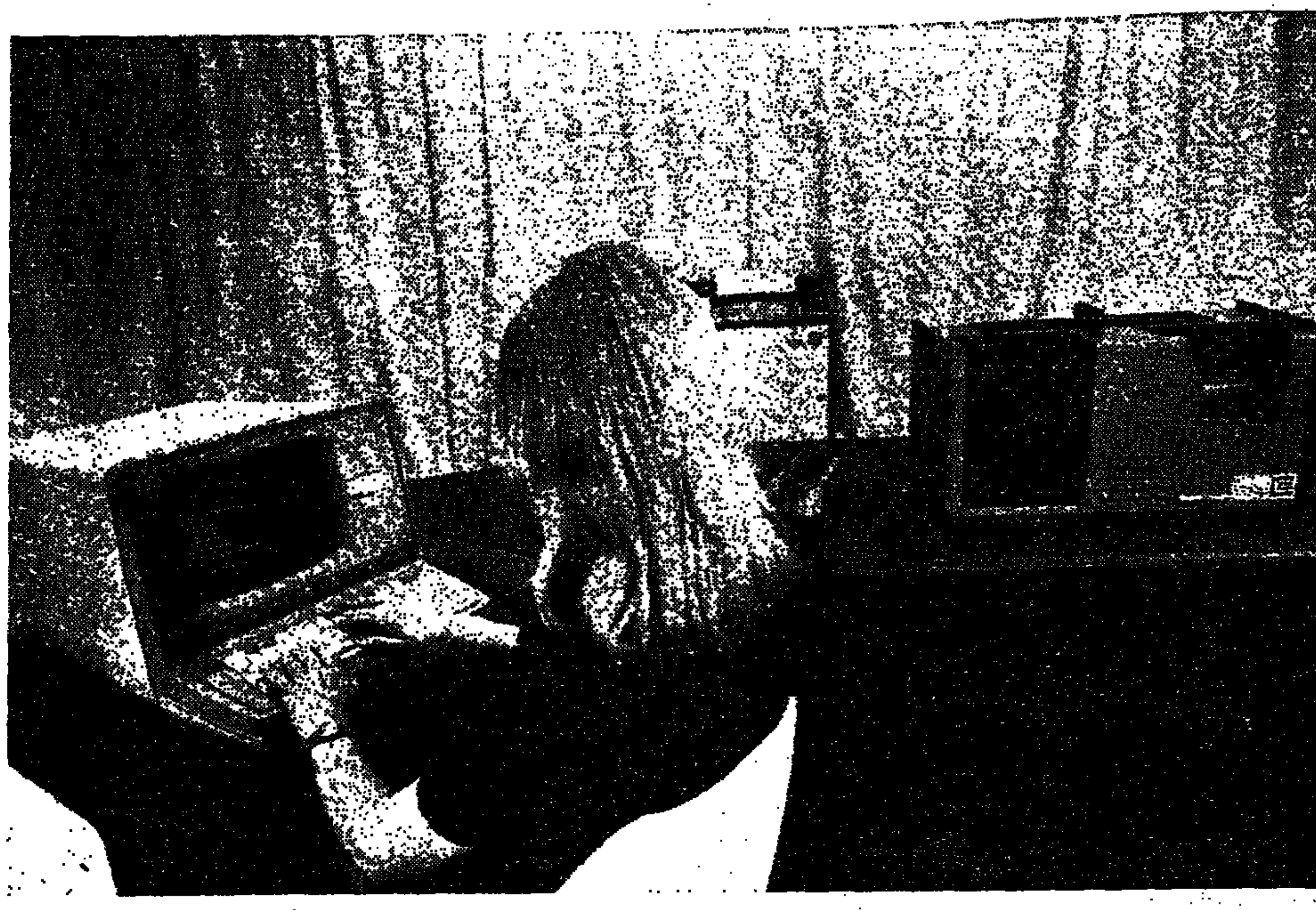
By L. SHOMER, Managing Director, CIG Computer Leasing Limited

This year, and every year, between 20 and 25 per cent. of the computer users in the U.K. will substantially increase the total investment in their computer equipment. This investment will take the form of newer and faster equipment, changes in hardware, and additions to the existing machines. Past experience suggests that 75 per cent. of this investment will be made in additional core memory storage.

Until last year mainframe core memory was available only from the mainframe supplier, and of course at the suppliers' list prices; but as the growing list of independent peripheral manufacturers was successfully challenging the mainframe manufacturers for a share of the peripheral market, so too a company in Southern California was pioneering the development of mainframe core memory which offered the user a choice, and substantial incentives. Because 20-25 per cent. of all computer users will increase the size of their computer investment this year, management must be made aware of what core is, who supplies it, what these suppliers offer, and what advantages the user gains.

What is core memory? Core is not peripheral in the true sense of the word, though it might well be described as the "non-peripheral peripheral." Core memory is an integral part of the central processing unit which holds or stores information for immediate use. It is the one part of the system which can increase throughput speed and utilisation of more advanced systems and programs. Core is made of a ferrite, inert material and will virtually perform for ever. Because of this, it is inherently reliable and causes the least amount of failure in a data processing system.

The new core manufacturers currently restrict their products to units compatible with the IBM series 360 and 370. These units can replace—or be added to—core on rented, purchased, or leased machines, and the suppliers of this core are now encouraging the rental user to upgrade and even replace IBM core with their own at substantial savings. To those companies who own their equipment or lease from a third party the inducements are even greater. While IBM policy does not permit the rental of additional core for installation on their own purchased systems, the independent core suppliers will rent the core irrespectively of the ownership of the equipment. Obviously this eliminates the problem of entering into another long-term capital investment in the computer area.



Typical Satellite One terminal system showing a card reader, li ne printer and display console, communicating with a CDC 6600.

Alternative source

Who supplies core memory? IBM naturally supply core memory for their own machines, but the first firm to offer an alternative source was Data Recall Corporation of El Segundo, California. Since the beginning of 1971 other traditional OEM manufacturing firms have entered this new market. Although Data Recall claim over 95 per cent. of the current market in the U.S. and Europe, competition is keen from Fabritek, Ampex, Cambridge Memories, Itel and Electronic Memories.

Data Recall units are marketed exclusively in the U.S. and Europe by CIG Computer Leasing and its associated companies. The only other known manufacturer selling mainframe core in Europe is the computer products division of Ampex.

What do these suppliers offer? As with all peripheral manufacturers' products, the main inducement to replace or add other than IBM equipment is money. By installing independent core, a company can save anything from 15 per cent. to 50 per cent. of the IBM price for similar core. In most cases, the equipment is leased for a period of two years, but longer and shorter terms are available and the savings vary accordingly. In addition, it is usual for the third party to permit unlimited usage of the equipment, which can result in an additional 10 per cent. saving.

The design of this newest member of the "peripherals group" is 1970 vintage and therefore offers the user advanced techniques in reliability with the increased use of integrated circuits. Built-in testing devices allow easier access to specific problems, and an independent off line unit with its own power supply makes for easier and faster installation. Installation time for these units is usually half that of IBM.

The independent manufacturers' core offers further cost reductions to present 360 users by expanding the mainframe beyond the normal capacities offered by IBM, and an important additional advantage is the ability to transfer the core to the 370 series.

Extended life

The expanded units will in most cases double the original capacity offered by IBM. For example, a 360/30 can be expanded from the basic 16K machine to 96K and 128K, the 360/50 can be expanded from the basic 64K machine to 768K or over one million bytes of storage, and the 360/40 can be expanded from the basic 32K machine to 393K or 448K. These upgrades give data processing managers the ability to increase the size of their present 360 system and extend its life for two or three more years, thus eliminating the need to move to the new 370 system for lack of storage capacity. The move to 370 in many cases will involve a cost increase of 15 per cent. to 20 per cent., including the charges for "unbundled" software.

However, for those users whose requirements necessitate a change to 370 the core manufacturers have a plan whereby management can begin realising savings now on their 360 systems while waiting for delivery of their 370, and then transfer the same core to the new 370, thus ensuring immediate and long-term cost benefits.

One further development which is expected from the core manufacturers is the ability to add core on the newly announced 360 Model 22. It is assumed that the maximum IBM configuration of 32K will be enhanced to 64K and possibly higher.

Intelligent terminals

By R. D. KILLICK, Marketing Manager, Computer Technology Ltd.

The problem of making more effective use of computers has long been recognised. In general, the large batch processing "number cruncher" is not a responsive machine and does not react in real time the way that people do. So that while it does well the job of solving problems which can be expressed mathematically or involve routine processing of large volumes of data at one time, it is not good at interactive computing, information handling and real time operation. Furthermore a computer, by being physically in one place is ill equipped to meet the needs of large numbers of users distributed over a wide geographical area.

One way of increasing the usefulness and the availability of large computers is to provide terminals some distance away connected to the computer by telephone lines.

The history of the provision of terminals is very short, going back to about 1966. So far a number of relatively simple and specialised terminals have been installed. These include the first commercial remote batch terminal service in the U.K., introduced in 1967 by Computer Services (Birmingham) and used by W. S. Atkins and Partners, followed by Lummus, Scott Wilson Kirkpatrick and Consolidated Goldfield.

By 1968 a number of seat reservation systems operated by the airlines were working successfully. Also at that time, the time sharing companies began serious operation and demonstrated to a large public that simple typewriter terminals were a viable proposition. They also gave people their first experience in computing.

The unique feature of the time sharing service was the interaction that users had with the computer, which in effect became a very powerful and personal calculating machine. It is not surprising that time sharing terminals have become firmly established in design, planning and research environments.

On-line system

Private industry and government establishments have generally moved more slowly than the service bureaux. There are of course a number of important exceptions like the airlines who were quick to see the efficiency and economy that an on-line reservation system could bring to their operation. Only now is private industry starting to realise on-line systems for order entry and distribution can benefit their operations.

Government establishments have also installed few terminals so far. The early exceptions have been small interactive systems developed by research laboratories, such as Culham, and by some universities. There are also remote batch terminal services in the universities, the most significant being at London University, which has one of the most extensive networks in the country, serving the London Colleges.

Line printers

To-day, it has become apparent that users can be given even more computer power and central machines can be made even more productive by installing intelligent or computer based terminals. The terminal itself now has a small computer within it. A variety of things can be connected to the terminal, card readers, line printers and operator stations being the most significant.

Despite the great potential which intelligent terminals offer their adoption in private industry and Government has been comparatively slow partly as a result of the interests and involvement of the major manufacturers. Most of the inspiration for developing terminal systems has rested with end users and software specialists. This still tends to be the case and as a consequence the manufacturers have been slow to react. Even now most of the major manufacturers only offer remote batch processing (or job entry) as an adjunct to their operating systems.

It has, therefore, fallen to the smaller computer manufacturers to offer organisations more powerful and exciting facilities. The recently announced Satellite One, intelligent terminal offers remote batch processing and local interactive facilities for handling a

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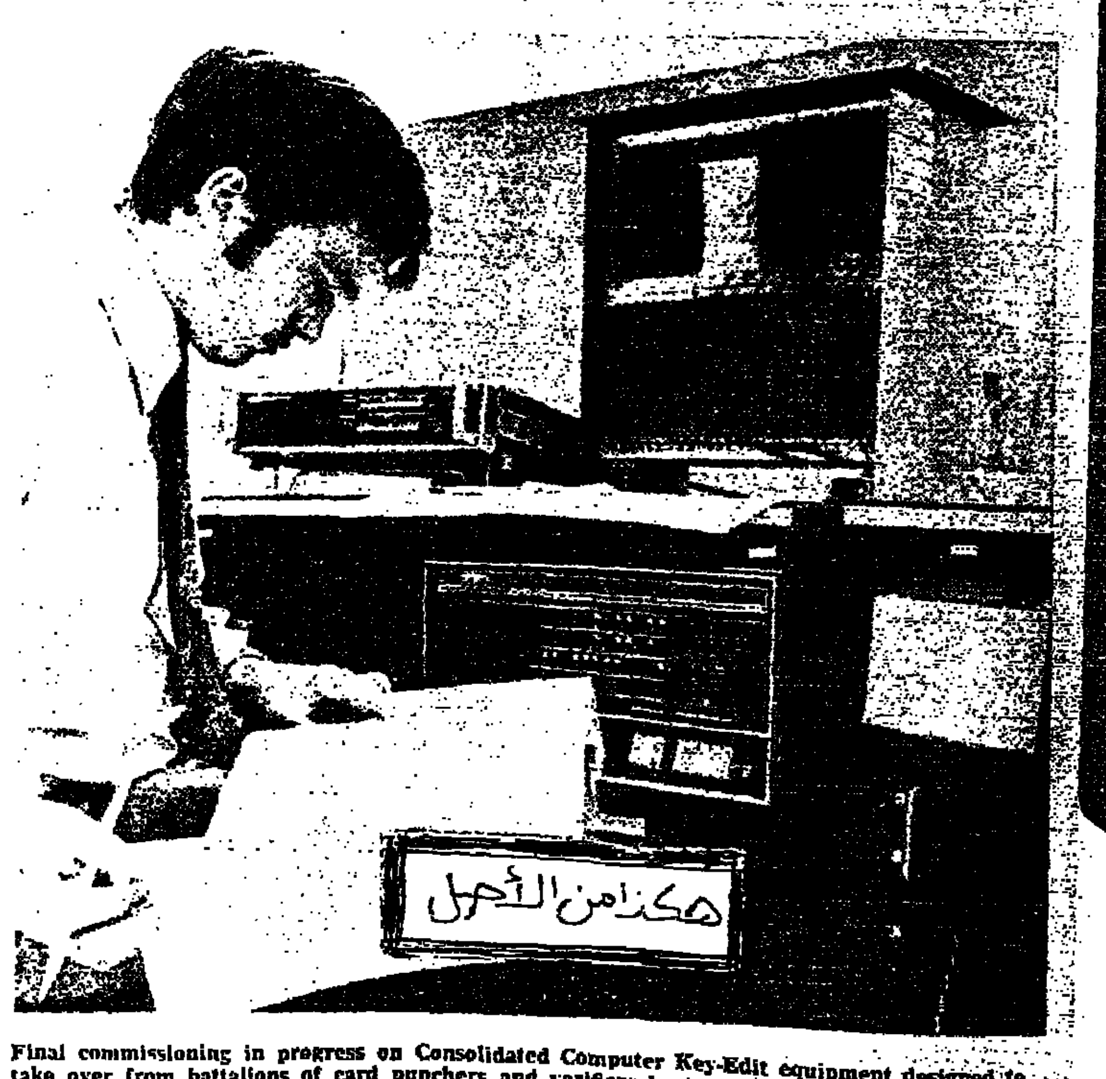

Final commissioning in progress on Consolidated Computer Key-Edit equipment designed to take over from battalions of card punchers and verifiers by transferring information from key stations to discs and verified tapes. CCL has a marketing agreement in Britain with International Computers.

COMPUTER PERIPHERALS VII

Terminal power now a 'remote' certainty

By LANCE ENGLISH, Special Projects Manager, British Olivetti

Meteoric development over the last decade has brought computing power into increasing acceptance as a way of life. It may calculate your wage-slip, look after your bank balance, work out your income tax, record your weekly shopping at the supermarket, or even provide your son with a career. As with all great leaders, however, the computer's existence is increasingly dependent upon its supporters—and to-day that almost invariably means the computer terminal. In this article, the author looks at the emergence of the terminal into its present power and prolific growth.

Yet all this would profit us little had not R and D's efforts been equally strong in the field of support facilities. Design and concept embrace the infinite refinement of basic materials with central memory access plummeting from the unbelievable milliseconds of the 1950s to the inconceivable nanoseconds of the 1970s. Think of the progression from thermionic valves to semi-conductor components, to miniaturised packaged components, to integrated circuits, to medium- and large-scale integration.

The first of the two main areas of advance was complex software, in the form of *comprehensive operating* systems which included monitoring, diagnostics, and planned degradation of performance in the event of unit failure within the system. All these functions in earlier systems had been executed with varying efficiency by the operators themselves.

The second area involved direct and current contact between the computing facility and its ultimate user. This was because the economic viability of large computers lies in their ability to act as gigantic stores of readily-accessed, continuously updated information (data banks), and as complex computing facilities shared by numerous users, who individually could not justify the luxury. Access to such a system, whether data bank or shared facility, is via a remote terminal.

The terminal derives basically from a well-established communication device, the teleprinter, which had the advantages of coded, bit-serial operation, proven reliability, and compatibility with long-distance transmission lines. The traditional five-bit telegraph codes were cumbersome for computer work but most teleprinter designs were easily adapted to the new seven- and eight-bit codes.

The video-screen terminal was also an early starter although problems of transmission and screen refreshing technique delayed the installation of single models in truly remote operation.

The most interesting developments in remote terminals began with the incursion of specialised users, notably banks, into the field of large, shared systems. The banks, for instance, created the first commercial real-time operation in their accessing, checking and updating of the customer's balance direct from the counter, often with the customer present.

This operation therefore demanded from the designers a terminal capable of:

—accepting a pass-book.
—printing a separate journal of entries and responses
— computing redundancy checks on outgoing messages and checking them on computer responses
—operating in optimal mode on the computer line disciplines known as "polling and selecting," in order to make a large network possible.

With all this now reality, the large northern consortia of Britain's Trustees Savings Banks are among the foremost not only in installing true real-time operation but also in planning future nationwide connection of their systems.

Other specialised terminal applications include industrial data collection and point-of-sale transactions.

Until recently industrial data collection was considered the ideal "off-line" operation, in practice it can also record factory personnel checking in and out, the start and finish of workshop jobs (including interruptions due to machine failure, etc.) and the progress of component production.

Production stores operations and the finished products store have come into the O and M man's net recently and there is a trend clearly discernible now towards integration of all these interactive sectors in one comprehensive system.

This new thinking has consequently placed data collection firmly on the list of viable on-line systems and has led to the modification or radical redesign of many data collection devices. Worker-badge readers, job-card readers, and a variety of keyboards suitable for shop-floor operation have all become the basis of the industrial terminal. For the first time, factories are looking for a computer system which provides printback facilities.

The point-of-sale terminal is a first-class example of an even more specialised and recent application of on-line computing science. The fraternity of methods men, operational researchers and systems analysts have observed with horror and helplessness the traditional retail trade approach to such fundamental activities as stocking and price manipulation.

The computer's main problem in this high-volume environment is acquiring transaction data economically. A further complication is the retail trade's use of temporary labour during a peak period—the very time when a rationalised, computer approach to stock problems could improve investment levels and cash flow dramatically.

All this means that any data capture device installed on the counter must be as simple to operate as the conventional cash register, and must not entail any extra entries, such as catalogue codes.

Various off-line solutions, mostly attachments to the cash register, have failed to catch on, but now specialist terminals are emerging which automatically read small, magnetic, garment tags, and even incorporate miniature video screens to "coach" the new or casual operator through the transaction sequence.

The on-line point-of-sale system offers many other advantages, particularly the checking of customer credit and the by-product billing of account customers. The counter operation itself can acquire such sophistications as automatic change calculations for cash customers and label printing for large items to be delivered.

Predictions are inescapable, when discussing large computer complexes and computer terminals. Unfortunately the designers of remote terminals are confronted with a paradoxical market situation in the sense that the development of a universal terminal would mean long low-cost production runs and, hopefully, low-price large markets. On the other hand, specialised terminals provide simpler, faster, more reliable operation, low training overheads, etc.

Happily, the new technologies, such as packaged read-only memory modules, may prove a viable halfway house. In other words, a standard terminal may now become, by the attachment or substitution of certain modules, a "bank" terminal, a "tote" terminal on the racecourse, or even a "console" terminal in the next generation of aircraft.

Solutions of this kind naturally emerge more easily on the drawing board than on the production line, but the first designs now emerging from the major manufacturers' laboratories look promising.

A customer's pass-book is up-dated by one of Olivetti's TC349 B1 terminals operating in the real-time networks set-up by the Trustees Savings Banks' giant northern consortia.

A typical MDS 2400 intelligent terminal configuration with local data manipulation capabilities. It consists of four nine-track and one seven-track magnetic tape drives, chain printer, card reader and on-line data recorder.

Reducing the cost of card punch units

By G. J. MACKENZIE, Managing Director, M.D.S. Data Processing Limited

An independent analysis carried out recently by several computer users showed that for every £ they spent on their installations, 40p goes on output costs, 30p on input, 20p on validation and editing—and only 10p on processing. It is hardly surprising that a great deal of recent effort has been devoted to producing and marketing devices aimed at the most costly areas of the EDP operation.

One such area was the card punch unit, the traditional form of data preparation. The giant in this area, IBM, has been inhibited in its response because the majority of its punches are leased, and in most cases fully amortised, and provide a substantial slice of the revenues which finance their total research and development.

Unflattering

As a result the unflattering comparison of the economics of cards as opposed to tape and disc systems has not been inhibited by a reduction in card-punch leasing rates. Indeed, since no way has been found to re-use the cards themselves and save the high expenditure on media which faces data processing installations using card punches, the cost of preparing data on cards has risen because of higher wage costs. At the same time, methods using tapes or discs have become cheaper.

Card punch perforation is now under attack from a number of companies offering products which enable the collection of data on magnetic tape or disc.

At the moment the estimated U.K. population of card punch and verifying equipment is between 50,000 and 60,000 keyboards. Paper tape units are believed to number around 30,000 while the alternative methods of preparation on to tape or disc still only add up to around 8,000 keyboards.

A total number of approximately 90,000 keyboards, a figure that has grown quite rapidly, has given a great deal of scope to those companies offering key-to-tape; key-to-multiplexer-to-tape; or key-to-computer-and-disc-store-and-then-to-tape systems. A number of OCR, MICR and mark sense systems have also been introduced.

Magnetic tape with the advantages of low initial cost per character stored, re-usability of media, and fast transfer speeds to the computer has proved the most attractive. Coupled with the facility of magnetic tape encoders to ignore the physical strait-jacket of card layout, it is hardly surprising that key-to-tape devices, at prices between £1,500 and £4,000, have proved to be by far the most popular devices in terms of numbers installed.

In the past year or so, keyboard devices linked to a computer or multiplexer have gained a foothold in the U.K. market, particularly in the larger punch rooms. These systems use quite cheap keyboards and collect data centrally on to a magnetic disc file. The data is then prepared on to a magnetic tape or disc for use by the central processor.

Slow to move

In general the British market has been a little slow to move towards this type of cluster system, often gaining experience with stand-alone data-recorders. This caution has not been altogether misplaced but the available cluster systems have been rapidly refined and are now reaching the stage where early problems of reliability and inflexibility have been overcome. The more recent devices also offer a genuine facility for vetting data as well as collecting it.

It is clearly desirable for the main-frame computer to receive not only clean and validated data at high speed, but also for that data to be sorted and edited so that it can be absorbed rapidly into routine processing by the central computer. The very latest devices give all these facilities.

The future of the data input area is clearly linked with other areas around the central processor which, as my initial figures indicated, are vitally important to the user. As well as preparing data on to tape or disc in a progressively more sophisticated manner, there has been a progression in the use *of peripherals to pre-digest data* before presenting it to the main-frame. There have also been parallel advances in using peripherals off-line to assist output.

Computer users are becoming increasingly aware that the main-frame must be released to perform its specialist functions if true economies are to be made. To do this, specialist peripheral processor systems, such as the MDS 2400 announced last week are being introduced to perform validation, sorting, editing and outputting in addition to controlling clusters of data input stations.

Terminals—*(Cont'd.)*

Continued from previous page

considerable amount of work locally. Incorporated within its design is the possibility of installing very simple and inexpensive facilities which can be enhanced on the user's premises as he requires additional power. It enables users to handle small jobs such as programme editing and desk *calculation* which are more suited to a small time-sharing environment, and at the same time allow large jobs to be processed remotely on a choice of main machines. The terminal also allows files to be held locally so that they can be updated and are available for the retrieval of management information. Satellite One overcomes two of the major disadvantages of the more usual hard-wired terminals: the security problems of allowing terminal users access to all centrally held data files, and the uselessness of the terminal in the event of communications line failure or the breakdown of the main system. It also enables switching from one manufacturers mainframe to another thus widening the choice of programs and bureau services available to the user. The design ensures that if the mainframe is changed the terminal will provide a constant service.

The trend towards the increasing use of data terminals is likely to accelerate quickly. In the U.S. the value of the remote terminal market is expected to increase to over \$1.5 billion per annum by 1975 from less than \$500m. last year. The growth in the U.K. has been estimated at 50 per cent. per annum from 1972 onwards. However, intelligent terminals around a single large computer are but a very simple example of a network of computers. In the future, one can envisage the so-called "computer grid" being formed by joining together a number of large computer / terminal systems. This will give the terminal user the power of many machines which may be physically distributed all over the country.

COMPUTER PERIPHERALS VIII

Wide application of visual display

By KEVIN SMITH, Electronics Weekly.

When the cathode ray tube was harnessed to the computer some seven years ago the effect was not unlike alleviating a speech impediment for some stuttering genius. For immediately the computer user was freed from the tedium of waiting *for the frustratingly slow* teleprinter to stammer out its message. And instead a page of data could be thrown up in split seconds on the cathode ray screen.

To-day, this new-found ease of communication is being applied in almost every sector of life and terminals incorporating cathode ray displays are one of the fastest growing sectors of the computer peripheral industry. One recent computer survey, for example, estimated that the number of interactive cathode ray tube terminals, which in 1969 amounted to 52,000, would rocket to 258,000 by 1975 and would be worth an estimated $190m. world-wide. Seven activities topped the list of 30 major applications. These *were, respectively, finance*, brokerage, airline reservation systems, other reservation systems, insurance, military, government, time-sharing and key-punch.

With such a diversity of applications, therefore, specialisation inevitably resulted and to-day the computer user can choose from a seemingly bewildering variety of display units.

One recent computer survey, for example, listed 19 suppliers of alpha-numeric or business oriented terminals and 14 suppliers of fully blown computer graphics systems of the kind now being exploited in civil engineering, aeronautics or almost every kind of design *office*.

Inevitably the computer purchaser pays for the degree of interaction he requires with the central computer. And prices can range from £1,000 or £2,000 for a simple business terminal to a cool £15,000-plus for a full-blown computer graphics system.

Stock prices

In February, 1970, for example, the Stock Exchange launched a computer driven share price index service to distribute the most up-to-date stock prices to over 300 subscribing firms. The heart of the system is a drum which stores in video format over 800 standard stocks including the F.T. 500. And because the information *is stored in this* video format, it can be used to drive directly a virtually standard 625 line TV display. Stock prices are stored on 20 different channels and so a dealer sitting at his desk can select a price index merely by flicking a channel selector button.

This terminal is one of the cheapest on the market, first because a user can only interact with the system by selecting the channel he requires, and second, because it does not require an expensive local memory to refresh the display. For to generate a flicker-free picture the electron beam paints out the same frame 40 or 50 times every second.

In the Stock Exchange system the cost of the "refresh" rotating drum memory is shared among 1,000 users but in conventional graphics terminals this is provided locally in each terminal. However, local stores of this kind come into their own in the majority of business applications. Normally these *involve trivial file interrogation* tasks. The computer shrugs off the answers to these queries in microseconds, dictates its instructions to the local terminal originating the inquiry and transfers its attention to the next. Then this computer coded data, held in the terminal memory, is transformed by a "character generator" and displayed on the cathode ray screen.

Over 850 terminals of this *kind form the backbone* of BOAC's BOADICEA seat reservation system. This £50m. network, which incorporates over 50 computers, handles well over 350,000 messages a day. Using the system, well over 800 reservation clerks can interrogate central records, held on a nest of computers in London, specify seat positions, note hotel bookings and have the reservation confirmed in seconds on the cathode ray tube in front of them.

Both process control and computer graphics applications demand a more sophisticated animal. For in addition to presenting "alpha-numeric" data these terminals are equipped with hard-wired vector generator programs that can transform computer coded co-ordinates into complete geometric patterns.

To-day, for example, the nerve centre for the control of the U.K. super-grid electricity distribution system is equipped with a battery of 12 computer-driven CRT displays. Using these, its three controllers can *pan across a computer-generated* network-diagram of over 5,000 super-grid switch positions and 1,000 circuit load flow indicators, merely by flipping a ball controller. And if an alarm should arise anywhere in the country the controller can call up a detailed picture of the danger area. Systems of this kind can vastly reduce the reaction time to dangerous overload conditions and, it is hoped, prevent the cascade tripping disasters that once blacked out Southern England and, at another time, New York.

But the computer's image handling potentiality is only exploited to the full in computer graphics systems. For by using a light pen to define geometric shapes to the computer and a keyboard to issue instructions to it, designers can bring into action powerful design programs crammed into the computer's memory.

Custom built

Designs tackled in this way eat up huge quantities of raw computer time. But the results now being achieved are quite remarkable in their sophistication and in the savings they can bring.

In just one example the computer has been used to lay out custom built microcircuits, each incorporating several thousand components on a single chip of silicon about ⅛ of an inch square. The task involves preparing three overlaid masks and can be likened to assembling a huge three-dimensional jig-saw. For every time a cell is called up from the computer library and positioned in one mask provision for interconnections to it from the underlying masks have also to be made. The computer can blend in or fade out details of the underlying mask thus allowing the task to be carried out very quickly.

But perhaps one of the most sophisticated programs that has ever been designed in ... in a graphics terminal ... 'BOTTLES.' On request the program can supply a three-dimensional impression of the glassware under design. And a further program provides a shaded impression of the glassware container as seen from any specified viewing point and with light source. It also takes account of the apparent texture of the surface.

Datagraphix equipment at a Centre-file installation.

Great potential for microfilming

By C. TOWNSEND, Managing Director, Centre-File Ltd.

That it is still necessary in 1971 to define the benefits of COM (Computer Originated Microfilm) is less, perhaps, a reflection on computer technicians and data processing managers than on the lack of determination by user departments to rid themselves of the yoke of voluminous computer print-out and the failure of *accountants to challenge the* cost of computer operations, including the stationery overhead. COM is the name of the technique for producing computer output directly onto magnetic tape instead of onto paper. It is not, as is sometimes supposed, anything to do with microfilming paper.

The advantages of using COM are so overwhelming that it is surprising the technique is not already far more widely used. Consider for a moment the benefits, all quite tangible and of demonstrable economic benefit. First, conversion of data from magnetic tape to microfilm is many times faster than the fastest line printer and, therefore, valuable computer time is saved; the computer is no longer used as an expensive printing press. Secondly, for years, the majority of commercial installations have produced vast quantities of costly continuous paper (frequently multi-part), much of which is never looked at but is produced for record purposes, "in case of need." Immense paper savings can be made by using COM. Thirdly, storage problems—of raw material before processing and of printed output afterwards—are dramatically reduced. Output distribution costs are slashed. Fourthly, retrieval of information using microfilm viewers is easier than searching through quantities of bulky continuous stationery.

These advantages are available to every type of computer user. To take a few examples, insurance companies maintain up-to-date policyholder records, and local authorities store rate records and library catalogues on microfilm. Banks and building societies maintain historic ledger records in this form for archival purposes in the knowledge that printed copies of accounts can be reproduced quickly if the need arises. Mail order firms hold updated stock positions on microfilm, and motor manufacturers find it a *very convenient way of main*taining stock and spare part records, particularly where many copies have to be available around the manufacturing plant, or sent to retail distributors. Clubs, societies and professional institutions already using computers for membership billing and accounting purposes reproduce their updated membership records on micro*film. In circumstances where* copy records have to be sent overseas, there is a further substantial saving in postage and packing.

Particular film

Microfilmed output is often produced in 16mm roll film and retrieval of information stored on particular film frames is obtained by passing the film through relatively inexpensive viewers. It should be mentioned that the effect of printed stationery is preserved by the use of a device during high-speed photographing which superimposes column rulings, headings, etc., as desired on each frame so that the microfilmed page, or the printed *copy obtained from it*, has the appearance of a conventional printed record. Alternatively, COM output can be produced as microfiche — sheets of film measuring 6 inches by 4 inches. Just one sheet of microfiche, storing data reduced in size by a factor of 42, could store 208 pages of normal-sized computer printed output or over 2m. characters. Microfilm output has two further claims to user versatility. Ancillary equipment exists which will produce multiple copies at very low cost. In addition, the more sophisticated viewers allow high quality paper copies to be produced at the touch of a button.

Unfortunately, the relatively high cost of COM hardware, compared with conventional computer printing equipment, tends to deter all but the larger computer users from installing their own equipment, especially as the hardware would be utilised for perhaps a few hours daily or weekly. However, a *number of COM bureaux have* emerged who, by sharing the initial costs among a large number of users, are able to offer very extensive services at competitive prices. These bureaux usually have special tape conversion hardware or software which enables them to *accept magnetic tape from any* type of computer and they are willing to edit customers' tapes in various ways, including the insertion of indexing markers to facilitate high-speed retrieval of selected film frames. A choice of roll film or microfiche is usually offered with multiple copies as required. Finally, they are able to offer practical advice on the wide selection of viewers on the market which range in cost from £50 to £1,400 each.

The development of magnetic tape to microfilm hardware has been possibly the most significant peripheral development of the past few years. The technique is well tried and tested, and the equipment reliable. It has already made a worthwhile impact on the output bottleneck, but the potential is far from being fully realised. The impetus must come from user departments looking for cost benefits and relief from the burden of mountainous paper records.

Mr. Nixon's chance to influence history

BY JOE ROGALY

THERE WAS a time, at the beginning of the summer, when it seemed reasonable to regard Mr. Nixon as a President of no great significance. Few people would say that to-day. He now seems likely to make a greater impact on the course of American history than it is given to most peacetime Presidents to achieve.

Two reasons for this have been apparent for some months now; a third has arisen as the result of events that have occurred in recent days. In each case a fundamental change in U.S. policy is involved.

A third change

The first, Mr. Nixon's proclaimed search for a rapprochement with Communist China, has reversed the trend of a quarter of a century of U.S. foreign policy in Asia; the second, his new economic programme, in*volves the open (if temporary)* abandonment of free-market economics at home, while forcing the rest of the world to seek a new arrangement for international payments.

On Friday, September 17, Mr. Nixon was presented with an opportunity to bring about a third change in American policies, one that could turn out to be of as much importance as the first two. For on that day Justice Hugo L. Black, a most liberal-minded man (who died on Sunday), retired from the Supreme Court. A week later, on September 23, Justice John M. Harlan, a conservative, also retired. It is Mr. Nixon's task to name their successors.

As a result there will soon be four men of Mr. Nixon's choice on the nine-member bench, since he has already appointed both the Chief Justice and one other judge. What is more, there is a chance that the President will be called upon to make at least one further appointment before his own present term of office ex*pires at the end of next year.*

Justice William O. Douglas, perhaps the most liberal and anti-establishment of them all, is 72 this year; he wears a pacemaker to control an irregular heartbeat. If he were to feel forced to resign on grounds of ill-health during the next year or so, then Mr. Nixon would turn out to be responsible for the appointment of a majority of the members of the Supreme Court. If Mr. Nixon wins a second term at the elections next November, his chances of making the Supreme Court a "Nixon Court" will be even greater.

Aside from these "ifs" Mr. Nixon has already been given an opportunity to alter the nature of the Court by appointing a new Chief Justice and, now, three other Justices. As he said when he nominated Warren Burger for Chief Justice in 1969, "our Chief Justices have probably had more profound and lasting influence on their times and on the direction of the nation than most Presidents have had."

This is certainly true of the Supreme Court as a whole. Its nine Justices, all of whom may continue in office more or less indefinitely once appointed, constitute an extraordinary element of élitist rule within what purports to be the most democratic constitution in the modern world.

By its interpretations of the constitution and its many and various decisions on issues affecting practically every aspect of American life, the Supreme Court has, in effect, transformed itself into a quasi-legislature whose influence derives from the deeply felt respect for the law that is so remarkable in American society, paradoxically co-existing with the streak of violence in ordinary life.

Magnitude

The power thus exercised has sometimes been benign, sometimes not. During the 16 years that Earl Warren was Chief Justice (he was appointed by President Eisenhower in 1953) the Court took many decisions that were pleasing to American liberals and highly disconcerting to conservatives. The overall effect of these decisions is some indication of how important the Court can be, and therefore of the magnitude of the opportunity open to Mr. Nixon to change the direction of current domestic history.

There have been three main areas of change. In none of these can the Supreme Court alone be credited with full responsibility for what has happened (other social and political forces have played their part), but in each case Court decisions *have been at the very least a* necessary catalyst.

The entire system of conducting criminal investigations and trials has been made more fair. As Mr. Anthony Lewis comments in his book, *Gideon's Trumpet*, "To-day a pervasive system of constitutional restraints covers almost every aspect of State criminal law enforcement, from arrest through trial and sentence to appeal. All of these limits have been developed by the Supreme Court, case by case. . . ."

Not every American approves. Procedures have been made so complicated, and so slow, by the accumulation of rulings that the *Supreme Court has been* accused of "coddling the criminals," and obstructing the work of the police. Mr. Nixon's campaign in 1968 made a great deal of this settlement; the two men he has already appointed have shown themselves to be anxious to reverse the tide set in motion by their predecessors.

President Nixon, together with his two Supreme Court appointees so far—Chief Justice Warren Burger (left) and Justice Blackmun.

Legal battles

They have also proved to be more conservative in a second main area: the freedom to publish. The last has not by any means been heard of the issues raised by the publication of the "secret" Pentagon documents by *the New York Times and* other papers. Justices Burger and Blackmun, the President's appointees, both dissented from the recent judgment that favoured publication.

And the legal battles over how much it is proper to publish, or exhibit on cinema screens, are likely to be fought over again; this is not surprising in view of the extraordinary fact that it is now possible to pay a mere $2.75 in a normal commercial cinema a few blocks from the White House in Washington and see the hardest imaginable hard-core pornography (the kind most people think is available publicly only in Copenhagen), and then to repeat the experience in central New Orleans, or San Francisco.

In the third main area, racial discrimination, the Supreme Court will not easily be reversed. As many Presidents before him have discovered, Mr. Nixon is finding that men he has appointed to the Court *cannot be relied upon to follow* his doctrines in every respect. Thus, while his two existing appointees—Justices Blackmun and Burger—did lean the administration's way in the recent New York Times case, they have stuck with the Court tradition on school segregation, and particularly in the matter of sending children to distant schools by bus in an effort to ensure that a sufficient number of blacks shall attend white schools and vice-versa.

So firm has the Court been on this issue in fact, that Mr. Nixon has found himself in political conflict with it: his stated policy is to oppose "busing" and because of this local officials who do not wish to enforce the Supreme Court's will in the matter are using the President's speeches as an excuse for evading the law.

In most cases this is a simple matter of old-fashioned racial discrimination: the South has had years of practice at getting around laws that force blacks and whites to mix. Children have gone to school by bus in America for many years now, and more often than not—in the South at least—the purpose has been to send white children to white schools (however distant) and black children to black schools.

Popularity

Even so, it is hard not to sympathise with the parents who now complain that they are being forced to send their children by bus to inferior black schools across town, in the interest of racial balance. (The right policy would be to make the black schools better first). Many of the complaints have been Northern, and not all of them are from whites: the Chinese in San Francisco have been boycotting the school buses for the past fortnight. If Mr. Nixon can find a Justice who will oppose busing he will win some political popularity among middle-thinking whites.

These are the issues that most Americans currently associate with the Supreme Court. They have arisen because of the conviction, expressed most forcefully when Earl Warren was in charge, that the Supreme Court should mix actively in the American political process. Mr. Nixon has said that he will appoint men (or women) who prefer to opt out of this process, and to sit back and interpret the law, conservatively, whenever cases come up.

The U.S. Supreme Court, as the past generation of Americans has known it, is thus likely to be changed significantly; the effect will, in time, be felt by all Americans.

Labour News

Over £¼m. on Union Act publicity

BY JOHN ELLIOTT, LABOUR EDITOR

MORE THAN £250,000 is being spent by the Government to publicise its new Industrial Relations Act which starts to come into force on Friday. The money is being spent on film strips, booklets and other publicity material.

To-day the Department of Employment is to start to distribute 1.5m. pamphlets giving a brief outline of the legislation and a further 750,000 copies of a detailed official guide. A large number of these are being mailed direct to unions and employers.

The department has also had a film made by Rank Short Films giving a brief resume of the Act's main features which is available for sale or hire and may be amplified in later more detailed films.

Campaign goes on

Meanwhile, the union campaign against registration under the Act continues. The Amalgamated Union of Engineering Workers is expected to write to the Registrar of Trade Unions to-day saying it does not want to be included in the provisional register which is to come into force on Friday.

This is being done even though the engineering section of the AUEW has a rule saying it must be registered. It now remains to be seen what the Registrar will do. Assuming he feels that he cannot allow a union with a registration rule to go off the register, the Registrar will have to decide whether the rules in fact apply to the new legislation and to the provisional register.

Obviously the letter from the AUEW and any other unions in a similar position cannot override their rules, which means that, unless a union decides to challenge the Registrar in the civil courts, they may have to remain registered till they hold rules revision conferences—November 9 in the case of the engineers.

The Transport and General Workers' Union is still taking legal advice on what it should do.

The National Union of Public Employees and the Clerical and Administrative Workers' Union have also, among others, decided to write to the registrar this week in line with the TUC's instruction.

Registration—a key issue? Page 12

Pay demand threat to oil for hospitals

By Our Midlands Correspondent

OIL and petrol supplies to Midlands schools, hospitals, factories and garages from four companies are threatened by a pay demand by 12 operators at the Kingsbury terminal, near Birmingham.

They say they will strike on Monday unless the £200-a-year gap between the management's offer and the demand is closed. This would prevent the loading of 200 tankers at Warwickshire Oil Storage jointly owned by Conoco (Jet), Amoco, Fina and Chevron.

Under a national agreement operators in this class get £2,227.50 a year and seven paid Bank Holidays. In response to a pay demand presented by Mr. Alan Law, of the Transport and General Workers' Union, WOS has offered £2,331 but no Bank Holiday pay. In addition to shift allowances, the make-up includes £156 for a regular two hours over a 40-hour week, and £111 for Bank Holidays, but no days off in lieu.

The demand is for quadruple pay on Bank Holidays, against an offer of treble pay, or treble pay and paid days off in lieu. If conceded the increase would bring the earnings of operators to £2,531 a year. The employers seem determined to stand firm against this demand, and with no talks scheduled this week a strike is in prospect.

Fleet Street pay offer fails to satisfy engineers

BY MICHAEL HAND, LABOUR CORRESPONDENT

THE Newspaper Publishers' Association and the Amalgamated Union of Engineering Workers failed to agree in talks yesterday on a new pay settlement for 600 engineering maintenance workers employed in national newspaper offices in London and Manchester.

The AUEW did not take part in the pay negotiations between the NPA and five other unions which ended last week's five-day shutdown of national newspapers. The engineers have been pursuing a separate claim for a 10 per cent. increase on their comprehensive wages. At present they earn between £50 and £84 a week.

In yesterday's talks, they were offered a similar settlement to that reached with the other unions last week. This was for a 15-month deal which will add about 7 per cent. to the industry's wages bill.

If accepted by the engineers, it would give them increases of between £3.50 and £5 a week. But Mr. Bill McLoughlin, AUEW divisional organiser, argued yesterday that this would not compensate his members for the increase in the cost of living since their last agreement in June, 1970, let alone for the expected rise during the period of the new deal. He asked the employers to consider making an improved offer. Although there will be further talks, the employers will inevitably want to keep any settlement with the engineers within the same framework as that made with the other unions.

REGALIA KNITTING CLOSES DOWN

Regalia knitting mills, Leicester, which was taken over two years ago by Pretty Polly group, has closed down its manufacturing operations, with the loss of about 40 jobs. A small skeleton staff has been retained to supervise the rundown.

Regalia branded knitwear is still being supplied from stock. A spokesman for Pretty Polly said the reason for closure was because it was not sufficiently profitable.

More Labour News Page 36

Most traders played fair in decimal changeover—Fiske

BY JUSTIN LONG

LORD FISKE, chairman of the Decimal Currency Board, yesterday supported traders' organisations in their refutation of the accusation made by Mr. James Prior, Minister of Agriculture, that confusion over decimalisation had been used to overcharge housewives.

Intervening in the traders' clash with the Minister, Lord Fiske said his board—which held its last meeting in London on Monday—had seen no evidence that price movements since the February changeover could be attributed to decimalisation.

"The board's primary responsibility was the changeover to the new currency. On this we believe that the vast majority of traders played fair in converting their prices to the new money, and this seems to have been generally accepted," Lord Fiske added.

A further disclaimer that decimal confusion had been used to boost prices came from Mr. Anthony Beresford, president of the Food Manufacturers Federation. He said there was "no evidence whatsoever" of advantage being taken of decimalisation as far as manufactured foods were concerned.

He told delegates to the Federation's convention at Brighton that he was as surprised as the grocery retailers that Mr. Prior had inferred that the switch to decimal currency had allowed the housewife to be cheated.

Heinz view

Mr. Beresford, vice-chairman of H. J. Heinz, said: "In our experience the housewife has much more intelligence than the Minister gives her credit for and is by no means as confused to-day as he suggests."

There were real reasons for increased food prices, and Mr. Prior himself had stated them clearly. "They are world food prices and inflation—the first beyond the control of the Minister and both of them outside the control of the food manufacturer," Mr. Beresford added.

Labour's spokesman on food, Mr. Michael Barnes, also joined the controversy yesterday saying that he was astonished at Mr. Prior's view that some shopkeepers had taken advantage of decimalisation to raise prices excessively.

The Minister himself had told the Commons earlier this year that an Agriculture Ministry survey had shown there was hardly any evidence of traders taking such advantage.

"In the first year of Tory Government we saw retail food prices rise by a record 12 per cent., and what Mr. Prior is really doing now is trying to pass the blame on to decimalisation for his own failure to tackle rocketing food prices," said Mr. Barnes.

Commercial radio chief named

BY RAY DAFTER

THE GOVERNMENT has appointed Mr. John Thompson, a publishing executive, to plan and co-ordinate the establishment of a commercial radio network.

The appointment, made by Mr. Chataway, Minister of Posts and Telecommunications, carries the title of senior adviser on radio broadcasting, a temporary post with a salary of £9,500.

But it is expected that he will be invited to take up a full-time appointment in the proposed Independent Broadcasting Authority, the enlarged Independent Television Authority which would be the watchdog for the independent radio and television networks.

Legislation for the establishment of the IBA and radio networks is likely to be introduced in the coming session of Parliament, with the first stations becoming operational by the end of next year or early 1973.

A spokesman for the Ministry said that Mr. Thompson would help the Minister in developing the proposals outlined in the Government's White Paper: "An Alternative Service of Radio Broadcasting" published in March.

Mr. Thompson will co-ordinate the work of a small team of specialists who will investigate and make recommendations on methods of achieving the White Paper's objectives.

In particular he will advise on the planning and establishment of an alternative radio system, co-ordinating considerations of relevant engineering, finance, programme, advertising and legal matters.

Future of UCS could be decided to-day

BY ANDREW HARGRAVE, SCOTTISH CORRESPONDENT

GLASGOW, Sept. 28.

CRUCIAL talks here to-morrow between Mr. Hugh Stenhouse, chairman of the newly-formed Govan Shipbuilders, his chief executive, Mr. Archibald Gilchrist, and trade union representatives could decide the future of shipbuilding on the Upper Clyde and the fate of thousands of jobs.

Without the UCS shop stewards' co-operation, the talks may founder and so could the new company, particularly in view of warnings in the last few days by Mr. John Davies, Secretary for Trade and Industry, and Sir John Eden, Minister for Industry.

A failure to agree on a common policy, especially by the trade union leadership and the shop stewards, could lead to a loss of ship contracts in abeyance since the liquidation of UCS, the withdrawal of promised Government support and a rift within the trade union movement.

The shop stewards to-day insisted on joining the talks only if these involved all four UCS units. "If Mr. Stenhouse is coming along solely as chairman of Govan Shipbuilders, we will not be there," said Mr. James Airlie, chairman, after a meeting of the UCS co-ordinating committee, the first held in the UCS Boardroom at Linthouse.

The Boardroom "occupation" by about 30 stewards went without incident: but a chance remark by Mr. Kenneth Douglas, the managing director—"they had two meeting there, their first and last"—seems to indicate that it may have been a symbolic, once-and-for-all exercise.

After seeing the stewards, Mr. Douglas gave the impression that they were no longer adamant on UCS remaining as a single group, provided no jobs are lost and no yards closed. But the stewards still suspect Mr. Stenhouse of being the "prisoner" of the Government, tied to the report of the four-man advisory group and accepted by Mr. Davies.

New challenge to Ministers, Page 15.

Further Malta thaw lets in 900 commandos

BY OUR OWN CORRESPONDENT

VALLETTA, Malta, Sept. 28.

SIGNS of a further thaw in the Malta crisis came to-day when British Services chiefs on the island announced that 900 men of the 41st Marine Commando group would arrive in Malta in mid-October on HMS Bulwark. The regiment was originally due in July but was stopped by Premier Dom Mintoff.

A joint Services' statement said the commandos would start replacing the 600 men of the Devon and Dorset Regt. by October 20 when the Bulwark sails to Malta.

Mr. Mintoff's decision to allow the commandos in could signify important progress at the Valletta talks covering future Ministry and financial arrangements between the two countries. The two negotiating teams appear to have covered substantial ground with the final meeting taking place probably this afternoon. The British team is expected to leave for home to-*morrow or early Thursday.*

COMPANY NEWS + COMMENT

Greensitt tops forecast and pays more

BUILDERS AND estate developers, Greensitt and Barratt, is lifting its dividend from 30 to 40 per cent. with a final of 10 per cent. for the year to June 30, 1971, and forecasts maintenance of the rate for the current year on capital to be increased by a proposed one-for-four scrip issue.

Group profit, before tax, expanded to £722,710, against a forecast of in excess of £550,000 and compared with £451,654 for the previous year. First half profit was £273,000 (£144,000).

Net profit for the year was £434,710 against £247,654 after tax of £288,000 (£204,000). Dividend waivers amount to £53,200 (£55,050).

● comment

Greensitt and Barratt has once again made nonsense of its interim forecast with 1970-71 profits up 31 per cent. pre-tax on the half-year target. The main impetus has come from private housing, where sales almost trebled, reflecting the benefits of the group's large capital investment in this sector, when it went public in 1968. The commercial division has also made progress and overall sales are up by 87 per cent. If the current upward trend in the construction industry continues, G and B will be in a good position to take advantage of it in view of its policy of keeping a five-year land bank. So a p/e of 12 at 106p may still have some way to go before it is fully discounting the growth potential.

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Setback for M.L. Holdings

THE profit fall indicated for M. L. Holdings in the year to March 31, 1971, turns out to be from £255,072 to £174,681 before tax—the profit was up £7,000 to £114,000 at half way.

The dividend is held at 13½ per cent. with a final of 8½ per cent. and absorbs £66,667 as before.

After tax of £72,000 (£120,470) less adjustments of £6,179 (£3,120) net profit was £102,681 compared with £134,602 in 1969-70. Surplus carried forward is £346,725 (£328,710).

The group is concerned with the design and development of armaments, specialised aircraft accessories etc.

Watmoughs to raise dividend

COLOUR PRINTERS, publishers and process engravers, Watmoughs (Holdings), is lifting its interim dividend from 4½ to 5 per cent. and intends to increase the final—10 per cent. for 1970.

Mr. J. E. Watmough, chairman, stresses, however, that the forecast is on the understanding that current trading conditions prevail until the end of the year.

First-half pre-tax profit rose from £55,000 to £61,000, subject to tax of £24,000 (£25,000).

The directors regard the profit as satisfactory in view of difficult trading conditions. All three subsidiaries were badly affected by the postal strike and there were further increases in all costs.

Third-quarter trading shows an improvement over that for the comparable period last year, and it is hoped that 1971 will see a further step forward in profits and progress of the group. The 1970 pre-tax figure was £280,000.

The year 1972 will bring with it a new wage agreement which has still to be concluded with the unions and further problems of imbalance between the first and second halves of that year. However, efforts are being made to bring new business into the group, particularly for the first six months, says Mr. Watmough.

● comment

Although Watmoughs was undoubtedly hard hit by the postal dispute, the group is fortunate that the subsequent reduction in orders came not only during the quieter half of the year but also at a time when the group normally overhauls its machinery. While costs—especially wages—have increased, it appears that these were largely offset by price rises at the beginning of the year. So with the Empire Stores catalogue still accounting for about half of the business and a new contract for Management To-day to give an added boost to the second six months, the omens look hopeful. But at 88p the shares on a 9.9 historic p/e seem high enough for the moment.

F. Miller's first half advance

First-half profit of clothing manufacturers F. Miller (Textiles) increased from £192,806 to £218,664, subject to tax of £87,466, against £90,000.

The directors consider the profits for the period were encouraging. The running in of the factory extension "compares very favourably with the time limits which we set for ourselves," they state.

Given reasonable trading conditions, "we would expect profits for the year as a whole to be satisfactory," they state.

Given reasonable trading conditions, "we would expect profits for the year as a whole to be satisfactory," they add. The pre-tax figure for the year to February 13, 1971, was £405,262.

An interim dividend of 13 per cent. (10.83 per cent. equivalent) is declared. Mr. and Mrs. F. Miller have waived their rights to this dividend on £68,424 of capital (£68,400). A maintained rate of 40 per cent. for the year, on capital increased by a one-for-five scrip issue, has already been forecast. This would represent an effective increase of 6.7 per cent.

● comment

Virtually all of F. Miller's sales are to Marks and Spencer and consequently the group is in the fortunate position of directly benefiting from the higher demand generated by M and S's own planned expansion. The only problem is that with one main customer, Miller obviously finds it difficult to pass on higher costs. The new factory extension—which will eventually double turnover—is currently running at 50 per cent. of capacity (well ahead of schedule) and as the remainder comes on line there will be a sharp cut in unit overheads. The only obstacle appears to be a continuing shortage of trained staff, but this should not prevent the group increasing earnings again this year. At 97p the shares look undervalued on an historic 15.6 p/e.

Statement Page 36

£911,554 by MFI Warehouses

COMPARED WITH the March prospectus forecast of not less than £875,000, MFI Warehouses, the mail order and retail group, has turned in a profit, before tax, of £911,554 for the year ended May 29, 1971. For 1969-70, the profit was £532,182.

Mail order turnover is up from £2,621,111 to £3,499,170 and retail turnover from £1,096,873 to £2,553,540, raising total sales from £3,717,984 to £6,052,710.

Net profit, after tax of £350,796 (£248,658), increased from £283,524 to £560,758.

As indicated in the prospectus, the directors do not intend to recommend a dividend in respect of 1970-71.

Report and accounts will be issued on October 5 and the meeting held at Winchester House, E.C., at noon, on October 28.

● comment

MFI Warehouses has been one of this year's most successful and well-received issues, rising from the May offer price of 135p to a peak of 210p last Friday, and 202p yesterday. At this level the p/e is 21½ on slightly higher than forecast earnings per share of 9.4p, but there are several props for this glamour rating. Thus the fast growing retail side will have the full benefit of the two outlets opened in late summer 1970 and it is planned to increase selling space by nearly 50 per cent. this year. As new units can come into profitability quickly, this expansion should help push profits well over the £1 mark in 1971-72 since the mail order side is also expected to advance with a widening range of lines supplied. In any event the market has clearly ignored any worries about past upsets in this field and has taken MFI on its short record of rapid growth.

More growth at Warnford

Current-year results of Warnford Investments should show a further satisfactory improvement, says chairman Mr. S. Sebba.

Leases have now been agreed for the remaining office space in the Ipswich development. Some further shops have also been let but shop lettings are proceeding slowly.

There has been a further increase in income from the group's other properties, particularly the office buildings in the City of London.

As reported on September 4, pre-tax revenue for 1970 was £608,923 (£351,355) with a dividend of 19½ per cent. (16½ per cent.).

Net property revenue rose by £75,560 to £720,098 mainly resulting from improvements on rent in office buildings but also reflecting increased rental income from the recently completed Ipswich development.

At the year-end the chairman held 2,611,605 ordinary 20p shares. Meeting, 20, Aldermanbury, E.C., October 26, at 3 p.m.

Diploma outstrips forecasts

WITH PROFITS substantially exceeding the May estimate, Diploma Investments is raising its dividend total by 7 per cent. to 16 per cent. for the year ended June 30, 1971; the final is 12 per cent., against 9 per cent. forecast.

Group profit, before tax, emerges at a record £362,000, compared with the estimate of "over £200,000" and with £114,809 for 1969-70. After tax and minorities there remains an attributable balance of £186,000 (£76,598).

Chairman Mr. C. Thomas feels that the year has marked an important turning point from a position where deployment of group assets was substantially in the laundry division to one where most of the old properties have been realised for cash, and part reinvested.

The acquisition policy of seeking majority holdings in growth industries has been further implemented by continuing to concentrate on service industries, particularly in distributive fields.

Profits from each division have been satisfactory but the London-based distributors "performed extremely well," producing about £200,000 between them.

Mr. Thomas is very confident that there is considerable growth ahead for the group, both from existing activities and by acquisition. There were "healthy cash resources" at June 30, of over £750,000 (including cash, deposits and investments).

Malayalam Plantations prospects

DESPITE a state-wide strike of plantation workers in Kerala from May 25 until June 10, total crops harvested by Malayalam Plantations to the end of August are comparable with the corresponding period in 1970, states chairman Mr. John Sands.

The estimate for the current year is 10,650,000 kg. tea and 6,100,000 rubber. Total harvested to August 31 amounted to 4,745,105 kg. and 2,405,000 kg. respectively and sales to that date total 3,388,527 kg. and 1,590,957 kg. Average net sale prices per kg. is 30.42p and 28.21p in each case.

The chairman describes the selling prices to date for this year's tea crop as satisfactory. Although the restriction on teas exported under the FAO Agreement has been extended for a further year, U.K. stocks are currently some 8m. kg. higher than a year ago. This with other factors including seasonal declines in quality could have a temporary depressive effect on prices.

However, world production is not expected to increase to any great extent during the next 12 months, and a significant decline in prices is therefore improbable, says Mr. Sands.

He points out that all rubber is sold in India subject to minimum prices controlled by the Government there. Up to September, 1970, the minimum price was Rs.4.15 per kg. for first grade rubber, but following publication of the report of the Tariff Commission the minimum price was then increased to Rs.5.20 per kg.

In the year ended March 31, 1971, group profit, before tax, advanced from £1,123,769 to £1,503,274. An analysis shows:—tea £617,110 (£167,429); rubber £719,021 (£806,572); and other income £167,143 (£149,768).

As reported September 14 the dividend is raised 1 per cent. to 23 per cent. Meeting, 14-20, St. Mary Axe, E.C., October 22, at 11 a.m.

Wm. Reed off to bad start

AT yesterday's annual meeting of William Reed and Sons, chairman, Mr. G. H. Camamile, told members that in the current year to date group trading results had been "very bad."

It was clear, he said, that the immediate task was to control and reduce the high level of stocks, and to cut back the manufacturing operation in activities which could reasonably be expected to be profitable in the future, while requiring a lower level of stock financing.

This was itself likely to be the more difficult to achieve because adverse trading conditions still existed.

In the short run, therefore, he did not expect the group to show profits in the current year, but hoped that changes planned would put the company on a footing which was more sound. Simultaneously the Board was exploring possible opportunities for expanding activities for the future, and "this should be a good future, once the current difficulties have been overcome," he said.

Finance & Industrial

Improved and satisfactory results in the current year for Finance and Industrial Trust was the hope expressed yesterday by Sir Graham Rowlandson, the chairman. "Transactions were healthy, properties were being acquired, interest on loans was improving and opportunities were being sought to expand the range of investment activities.

Sir Graham told shareholders at the annual meeting that negotiations were in hand for bank loans which would enable further investments to be made. In addition, the Harmer Advances subsidiary was making considerable progress and there appeared to be a ready market for financing building developments. This would be reflected in current year results.

Sir Graham said that FIT Investments had completed the purchase of a block of six shops with flats at Gloucester in the current year and that negotiations were in hand for the acquisition of a lease-back in Diss, Norfolk. Acquisitions in Dorchester and Coventry were also being considered.

Mr. P. G. Wreford, joint chairman and joint managing director of Gresham Investment Trust, at yesterday's annual meeting in London. The directors are expecting a continuation of the steady increase in profits and dividends.

DIVIDENDS ANNOUNCED

	Current payment %	Date of payment	Corresponding div. %	Total for year %	Total last year %
Adwest	19	Nov. 6	16	28	25
British Land	(B)6	—	5	11	10
Camellia Investments	10	Oct. 22	9	10	9
Cement-Roadstone ...int.	7	Nov. 2	6½	—	13½
Dickinson Robinson int.	†2½p	Nov. 6	2½p	—	7.125p
Diploma Investments	12	Oct. 29	9	16	9
Extract Wool	nil	—	5	nil	(E)7
Greensitt & Barratt	30	—	20	40	30
Gresham Hse. Estate int.	13	Oct. 29	13	—	31
Hoskins & Horton ...int.	6	Oct. 29	5	—	16
Jorehaut Holdings	5	Oct. 25	5	5	5
Leaderflush ...int.	5	Nov. 1	5	—	10
Leon Berner	12½	Nov. 1	—	(f)20	—
Lloyds Industries ...int.	14	Oct. 29	12½	—	30
Lyon & Lyon ...int.	4	Oct. 29	4	—	10
F. Miller (Textiles) ...int.	13	Nov. 19	*10.83	—	*33.3
M.L. Holdings	8½	Nov. 9	8½	13½	13½
Rednor	(g)16	Oct. 30	12½	16	12½
Rowntree Mackintosh int.	8	Nov. 19	7½	—	22½
Untd. Newspapers ...int.	17½	Nov. 9	17½	—	45
Wades Stores	(d)7	Nov. 20	6	12	10
Watmoughs ...int.	5	Nov. 6	4½	(c)—	14½
Western Dooars	4	Nov. 10	2	4	2

* Equivalent after allowing for scrip issue. † Amount per share.

(a) Tax free. (b) On capital increased by rights and/or acquisition issues. (c) Increased final intended. (d) Corrected. (e) For 15 months. (f) Made public January, 1970. (g) For 18 months.

Dallas sees big profit rise

A "SUBSTANTIAL INCREASE" in profits is anticipated for the current year for John E. Dallas and Sons, electronics for leisure and musical instruments group, says chairman, Mr. G. S. Lee.

Reporting group turnover up 50 per cent. in the first five months, he says "it will be unduly optimistic to predict that this rate of increase can be maintained for the rest of the year. Nevertheless, a substantial increase in profit is anticipated for the full year."

As reported on June 29 group pre-tax profit for the year to March 31, 1971, was £180,289 (£75,015) on a turnover of £3,961,050 (£2,498,320). The dividend is 3.125p (2.5p) per 25p share.

For the first time, group net assets have exceeded £1m., and Mr. Lee says this figure could be considerably increased if the long leasehold at Clifton Street, E.C.2, were revalued. At present it stands in the books at the nominal sum of £1,704.

The directors are unable to quantify the true value at present, and are negotiating through property consultants for the possible disposal of the premises but have not, so far, reached agreement on the price. It is felt not to be in the company's best interest to disclose further details on this subject at the present time, the chairman adds.

Meeting, Dallas House, Clifton Street, E.C., October 21, at 10 a.m.

Upsurge at Hoskins & Horton

THE directors of Hoskins and Horton (civil engineering and contracting, etc.) are expecting 1971 profits to show a satisfactory increase over the £176,126 pre-tax of the previous year.

Meanwhile, they report an advance from £61,042 to £106,782 in the first half balance, and are lifting the interim dividend from 5 per cent. to 6 per cent.—the 1970 total was 16 per cent.

The profit rise during 1971 has been derived from both divisions, members are told.

	Six months 1971 £	1970 £
Profit	123,704	77,348
Interest charged	16,922	16,306
Pre-tax profit	106,782	61,042
Tax	34,000	25,000
Net profit	72,782	36,042

Trafalgar holds 80 per cent. of the Ordinary capital of Cementation (Africa), which will reduce to 67 per cent. following the acquisition of Bain.

Lyon and Lyon downturn

First half group profit of Lyon and Lyon decreased from £125,633 to £64,100, before tax of £26,000 (£59,000). The pre-tax figure for all 1970 was £214,230.

Substantial exceptional receipts coupled with anticipated improved trading results for the second half indicates that it should be possible to maintain the total dividend at 10 per cent., the directors state. An unchanged interim of 4 per cent. is declared.

The business is that of tank barge operating, ship and barge building and repairing, etc. The company is also a main Ford dealer.

VIRGINIA ELECTRIC

The 4m. shares of Common stock (without par value) in Virginia Electric and Power Company have now been sold. The underwriting group was headed by Merrill Lynch, Pierce, Fenner and Smith.

ISSUE NEWS AND COMMENT

London quote for Anglo Industrial

Brokers Rowe and Pitman are sponsoring an introduction to the London Stock Exchange of the 17.75m. Ordinary R1 shares and 2.697m. Deferred R1 shares of Anglo American Industrial Corporation, an investment holding company administered by Anglo American Corporation of South Africa which together with its associates controls 60 per cent. of the equity. Dealings are expected to start next Monday.

At the time of its formation in 1963, the company acquired substantial shareholdings in a number of quoted and unquoted industrial undertakings, and it has since expanded its investment in South African industry, playing an active part in promoting new industrial ventures. In general, investments are in companies in which the Anglo American group has control or a participation in management.

The company's main subsidiaries are engaged, inter alia, in the manufacture of diamond and tungsten carbide-tipped drilling tools, ferrous and non-ferrous castings, rolled steel products and grinding media for the mining and cement industries. A paper-manufacturing complex has also started production recently.

Attributable post-tax profits increased from R3.3m. in 1963-64 to R15.45m. in the 18 months to the end of 1970. It is not, however, possible to compare this figure with the R6.5m. for the 12 months to June 30, 1969, because of the change in year end and the acquisition of the Boart Group in July, 1969.

For the 18 months to the end of 1970 dividends were paid totalling 50 cents, or 33.3 cents on an annual basis. The attributable profit of R4.88m. for the six months to the end of June, 1971, enabled the company to pay an interim dividend of 15 cents and the directors expect that the final dividend will be not less than 17.5 cents per share.

● comment

The Anglo American group is well-known to U.K. investors so the introduction of Anglo American Industrial Corporation in London is largely a formality. Unofficial dealings have been going on for some time here and it is the policy of the Anglo American group to obtain quotations for all its substantial satellites. Apparently there are comparatively few shareholders in the U.K. and interest is likely to be limited by the depressed state of the South African equity market. Drawing a line through the current Johannesburg price indicates a probable London opening price of around 310p.

Particulars Pages 34 and 35

SHORT TERM LOCAL LOANS

Arrangements have been completed for the placing of the following local authority loans:

Lanarkshire County Council (£1m.), Moray and Nairn Joint County Council (£½m.), City of Westminster (£1m.), Dunbarton County Council (£¼m.), Johnstone Corporation (£¼m.), West Pennine Water Board (£¼m.), Long Ashton Rural District Council (£¼m.), Oxfordshire County Council (£1m.), City of Dundee (£1m.), City of Edinburgh (£½m.) and the Borough of Royal Leamington Spa (£¼m.) are all issuing 5¼ per cent. bonds due October 4, 1972, at par, while the Borough of Port Talbot is issuing £½m. 6 per cent. bonds due April 4, 1973, also at par.

The London Borough of Lambeth (£1m.), East Cornwall Water Board (£½m.) and the London Borough of Barnet (£1m.) are all issuing 6¾ per cent. bonds du[e] October 3, 1973, at 99¾ per cen[t].

Long Ashton Rural Distric[t] Council (£¼m.) is also issuing 6[...] per cent. bonds due October [...] 1974, at £99⅞ per cent., whil[e] Elland Urban District Counc[il] (£¼m.) are issuing 6¾ per cen[t]. Negotiable bonds due Septemb[er] 11, 1974, at £99⅞ per cent.

Brokers Phillips and Drew wit[h] Morgan Grenfell handled th[e] Cornwall, Port Talbot and Lean[ington] loans, and with Issuin[g] House County Bank they handle[d] the West Pennine issue. [...] Nivison and Co. were brokers [to] the Dunbarton, Dundee, Edin[burgh] and Lambeth loans an[d] J. and A. Scrimgeour in associ[a]tion with Robert Fleming and C[o.] handled the Barnet issue. Th[e] Elland bonds were placed [by] Cater Ryder in association wit[h] Cater (Brokers), while the Joh[n]stone and Long Ashton bonds we[re] placed by Short Loan and Mor[t]gage Company. De Zoete an[d] Bevan were brokers to the Oxfor[d]shire issue, while Pember an[d] Boyle placed the Lanarkshir[e], Moray and Nairn and Westminst[er] bonds.

Rohan Group going public

Allied Irish Investment Ba[nk] has arrangements in hand for a[n] offer for sale of 600,000 10p shar[es] in Rohan Group at 73p each. Lis[ts] will open on Wednesday, Oct[o]ber 6.

The group is engaged in pr[e]cast building in both the priva[te] and industrial sector and h[as] achieved rapid profits grow[th] without interruption since [its] foundation ten years ago. In 19[..] pre-tax profits were £5,287 and [for] the year to April 30, 1971, h[ad] reached £188,445. Profits of n[ot] less than £240,000 are forecast f[or] 1971-72 and at the offer price t[he] forecast dividend total of 47½ p[er] cent. would be covered 1.57 time[s] giving a dividend yield of 6.5 p[er] cent., thus capitalising the grou[p] at £1,525,700.

BERL FLOTATION

Stenhouse Industries announ[ces] that the Stenhouse group inten[ds] to float British Electrical Repai[rs] in the not too distant future. [In] order to concentrate on t[he] development of BERL, Mr. Phil[ip] Burns has relinquished all h[is] appointments in the Stenhou[se] Group, except his membership [of] the Board of the parent co[m]pany, Stenhouse Holdings, and h[is] function as chief executive [of] BERL.

Mr. H. C. Stenhouse, chairm[an] of the group, said yesterday th[at] Mr. Burns had given up the cha[ir]manship of BERL because d[ue] to its size it is intended to flo[at] the company. It is felt that [an] independent non-executive chai[r]man, who has no previous co[n]nection with the group, shou[ld] be appointed and an announ[ce]ment on this will be made in d[ue] course.

UGINE KUHLMANN

Arrangements have been co[m]pleted for the issue of Fren[ch] Frs.50m. 8 per cent. Bearer No[tes] 1971-78 in Ugine Kuhlmann. T[he] issue was underwritten by a grou[p] headed by Credit Commercial [de] France, Morgan and Cie Inte[r]national, Banque de Bruxelles a[nd] Lazard Frères and Cie.

BIRMINGHAM LOAN

Application lists open and cl[ose] to-day for the issue of the £10[m.] Birmingham Corporation 8 p[er] cent. Redeemable stock, 1979-8[..]

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MINING NEWS

West Wit-GFSA merger terms

BY LESLIE PARKER, MINING EDITOR

THE TERMS have now been issued for the proposed marriage between West Witwatersrand Areas and Gold Fields of South Africa, a wholly-owned subsidiary of London's Consolidated Gold Fields, a marriage which was first announced on June 7 last.

West Wit is to acquire GFSA for 3.35m. shares which had a market value yesterday of £23.45m. The net assets of GFSA were valued at £25.8m. on June 30. West Wit will change its name to Gold Fields of South Africa and intends to make a rights issue in November to raise R20m. (£11.5m.).

Maintenance of the distribution for the year to next June at 45 cents (26.25p) is forecast and the West Wit chairman, Mr. A. Louw, says that medium-term projections indicate a rising dividend pattern although this is to a large extent dependent on future movements in the gold price. Earnings in 1971-72 on the increased capital, including the rights issue, are estimated at about 60 cents (35p) a share, compared with 56 cents last year.

Gold optimism

Mr. Louw is optimistic about the gold price. He considers gold's importance to have been strengthened by the present problems of the dollar and expresses his confidence that as a commodity the metal will increase in price at a rate in excess of that at which the cost of production will rise.

By the GFSA deal West Wit shareholders' reliance on gold, hitherto virtually 100 per cent., will be lessened and in particular they will obtain an interest in base-metal projects in South Africa. And, as Mr. Louw points out, it is likely that this segment of the mining scene will show one of greatest growth rates in the country's economy. It will thus act as a replacement for West Wit's gold mines which must die eventually although dividend income therefrom is expected to increase for several years yet.

Mr. Louw says that the new GFSA will rank as a major South African mining house with a net asset value of around R225m. (£127m.). It will not be controlled by Consolidated Gold Fields despite its existing stake of 42 per cent. in West Wit. The London parent will effect this by placing with South African institutions and investors part of its entitlement in the proposed rights issue so that its interest is reduced to just under 50 per cent. This removal of foreign control will give GFSA more flexibility in the Republic.

The scheme looks to be one that should be viewed with favour by West Wit holders. But any bullish impact on the share price is likely to be postponed until the money-raising operation is out of the way. Yesterday West Wit fell 15p to 700p. West Rand Investment Trust has a 12 per cent. holding in the company.

See Pages 36 and 37

CENT. PROVINCES' LEASE PROBLEM

IT IS stated by the Indian-operating Central Provinces Manganese that the Board has received information that the State Government of Maharashtra has refused to grant renewal of lease of the company's Balapur Hamesha mine. Legal steps are being taken to protect the company's interests, it is added.

In March this year the Mines Tribunal passed an order granting Central Provinces the option to renew the lease of Balapur Hamesha for 20 years as from April 1. Following the latest news Central Provinces shares were being tentatively quoted on the basis of 20p to 25p compared with the previous middle price of 24½p.

£0.8M. IN LONDON FOR AMAL. TIN

Following the liquidation of the buffer stock under the third International Tin Agreement the London Tin group's important Nigerian producer, Amalgamated Tin, has received in London £821,878. This represents the return of the company's contribution to the buffer stock of £572,857 plus its share of the latter's surplus.

It must be remembered, of course, that the company will also have to play a part, in a form which has yet to be announced, in the financing of the new buffer stock under the current fourth International Tin Agreement.

The important thing is that, for a company which has had its movement of funds severely restricted by Nigeria's exchange controls, the buffer stock repayment money is here in the U.K. At March 31, 1970, Amalgamated Tin's consolidated net assets amounted to £1.06m., the major part of which was in cash and Nigerian Treasury Bills.

These liquid assets, however, will have been run down since then as a result of the difficult operating conditions in Nigeria. The question now is how much money the company has in Nigeria to meet the calls of the latest buffer stock contribution and to what extent, if any, it will have to draw upon the London funds.

Perhaps the annual report, which is due in about a fortnight's time, may be able to make the situation clearer. Meanwhile, there is the hope that shareholders will receive a distribution from the buffer stock repayment funds which in total equal just over 10p per share. The latter were 17p in London yesterday.

SOUTHLAND GOES AHEAD IN ITALY

A decision to go ahead with its Italian fluorspar project is announced by the Australian group Southland Mining. It has a 50 per cent. stake therein through a holding of half the equity capital of Soricom SPA. The Pianciano deposit lies about 25 miles north-west of Rome. Proven reserves are 8m. short tons of ore averaging 55 per cent. to 56 per cent. fluorite. Substantial additional reserves are indicated but these have a higher over-burden ratio.

Open-cut mining is envisaged. Metallurgical tests are stated to have established that the ore can be concentrated to a marketable metallurgical grade of fluorspar with a 70 per cent. fluorite content. An output of 0.2m. metric tons of pellets a year, it is claimed, will give the mine a life of some 20 years on the proven ore reserves alone. Emphasis is put on the current strong demand for fluorspar. Mid-1973 is the production target date.

Capital costs are put at just under £2m. and funds of this order, it is stated, have been tentatively arranged subject to completion of the feasibility study scheduled for the first quarter of next year. Southland shares were quoted at 29p yesterday.

Expansion & development at Lloyds Industries

WITH SALES almost 50 per cent. higher and profits up 42 per cent. at the half way stage, Lloyds Industries International is well on the way to achieving the profit forecast of not less than £300,000 for 1971.

And chairman, Mr. T. Heywood is confident of a "very satisfactory" set of trading results at the year end.

The inherent growth possibilities of present operations, a new factory at Winsford (Cheshire), and a proposed acquisition, makes him equally confident about the longer-term prospects which have "never been better."

For the 28 weeks to September 11, 1971, sales totalled £2.49m. and the profit £209,400. The interim dividend is raised from 12½ per cent. to 14 per cent.—the 1970 total was 30 per cent. from profit of £244,000.

Sizeable sales and profit increases have been achieved across all divisions: a number of new Turtle and Dupli-Colour products contributed to the automotive division's expansion, while the addition of Duerr's Jam has provided the major part of the food division's growth.

	28 weeks 1971 £	1970 £
Sales	2,497,000	1,672,000
Trading profit	220,000	160,000
Loan stock int.	8,600	8,600
Other int.	2,000	3,300
Profit before tax	209,400	147,900
Taxation	83,760	66,300
Net profit	125,640	81,400

The new factory is being built to consolidate the aerosol operations, which are now spread over three units. Cost is over £250,000, and full benefit should materialise next year in terms of lower stocks, more efficient and economical production and the opportunity to handle additional business.

The proposed acquisition is that of Flexy Brushes, and contracts were signed yesterday. Consideration is £220,407, of which £46,500 are cash assets surplus to the needs of the business, arising from the sale of an allied activity. Of the consideration, £180,407 will be satisfied by the allotment of Lloyds shares, which will be placed to give cash to the vendors; they have agreed to leave the balance of £40,000 outstanding until July 31, 1972, with interest payable at Base Rate plus 1½ per cent.

It is not expected that Flexy will make any material contribution to group profits in the remainder of this year because of initial reorganisation expenses, but next year the business is likely to produce pre-tax profits in the region of £35,000-£40,000.

● comment

The interim statement from Lloyds Industries after eight months shows that the company is well on the way to achieving its earlier profit forecast for 1971-72. In fact, a slight advance on the June projection looks very possible and, allowing for the additional capital in connection with the Flexy Brushes acquisition, fully diluted earnings should be around 5.9p a share. This supports the 150-per-cent.-plus rise in the share price above its "low" this year to 80p, where the prospective p/e is an undemanding 13.4. However, looking further ahead to the following year, pre-tax profits could get within striking distance of £½m.; this is based on £350,000 for the current year, £40,000 from Flexy, £40,000 from savings on overheads in the new aerosol factory, plus some organic growth. This leaves the shares, on a fully diluted 1972-73 multiple of 9½, looking undervalued.

See Men and Matters Page 18

Profit rise from Utd. Newspapers

FOR THE six months ended June 30, 1971, profits of United Newspapers amount to £1,534,000, compared with £1,465,000. The interim dividend is held at 17½ per cent.—the previous final was 27½ per cent.

Although there is still a shortfall in revenue from certain types of classified advertising, particularly in property and employment, profits for the year to date continue to be ahead of those for the corresponding period, and it is felt that this could well be the result for the year as a whole, the directors state. The 1970 total profit was £2.78m.

	First half 1971 £	1970 £
Trading profit	1,516,651	1,457,352
Investment income	17,349	7,648
Profit before tax	1,534,000	1,465,000
Taxation	607,000	604,000
Outside holders	36	46,070
Debenture redemp. res.	13,311	12,338
Pref. dividend	59,715	13,781
Available Ordinary	853,918	788,819

See Lex

Peak £1.9m. by British Land

TAXABLE PROFITS of the British Land Company show an advance to £1,948,000 in the year ended March 31, 1971, compared with £842,000 for the previous 11 months.

As forecast a final dividend of 6 per cent., is proposed on increased capital, making an 11 per cent. total, compared with 10 per cent. for the period—equal to 10.91 per cent. on an annual basis.

	Year 1970-71 £000	11 months 1969-70 £000
Group profit	1,948	842
Corporation tax	739	375
Net profit	1,209	467
Dividends*	912	512
Forward	420	123

* After waivers £113,983 (£99,098).

The figures do not include the results of Haleybridge Investment Trust and Regis Property which became subsidiaries on March 31, 1971.

BIDS AND DEALS

SWEDISH ACQUISITION BY CHARTERHOUSE

Alenco, one of the major industrial subsidiaries of the Charterhouse Group, has acquired for £880,000 cash the share capital of three companies in Sweden from which a single new Swedish company, Alenco Egnell, is to be formed.

The three companies, all engaged in the distribution of components for the hydraulics and pneumatics industries and in the manufacture and distribution of industrial lubricating equipment, are Ingeniorsfirma Fritz Egnell, Svenska Tecalmit and Fabriken Orion. Together they had a turnover last year of Kr.30m. (£2.4m.) and produced pre-tax profits of Kr2.2m. (£176,000).

Chairman will be Mr. Gunnar Egnell and managing director, Mr. Stig Hammarskiold. The Board of the new company will include Mr. J. Barnard, Alenco's overseas operations director.

Alenco is known principally for the manufacture of high and low pressure couplings, valves, pipes, and industrial flexibles under the Ermeto and Simplifix trade names. In addition it has a major involvement in engineering plastics, and has a unit manufacturing and distributing plumbing fittings. It has subsidiaries in France, Holland and Norway.

Alenco chairman, Mr. P. N. M. Rudder, commenting on the acquisition, said—"for some time we have had ambitious plans for expanding Alenco operations in Europe and our move into Sweden is another stage in our achievement of them. Our new Swedish partners and Alenco have already been working together for some years and we are confident that a joint operation of this kind will present us with important growth opportunities in Scandinavia."

CUNARD

Acceptances of the Trafalgar House Investments offers for the capital of Cunard Steam-Ship not already owned have now been received in respect of over 90 per cent. of each class and from over 75 per cent. of the Ordinary holders.

Trafalgar intends in due course compulsorily to acquire the outstanding stock. Meanwhile, with the exception of the cash offer for the Ordinary which has closed in accordance with its terms, the offers remain open.

ASSOCIATES DEALS

Rothschilds announces that on Monday R. G. Shaw and Sons—an associate of Sime Darby—bought 350,000 Seafield at 61p.

Lazard Brothers purchased, on behalf of an associate, 220,000 Newall Machine Tool at 37p.

L. Messel bought for an associate of Amalgamated Investment and Property, 3,000 Amalgamated at 377p.

Joseph Sebag bought for associates of Slater Walker Securities 37,500 SW Secs. at 304½p average.

W. I. Carr, Sons and Co. purchased 100,000 Alliance Property at 107½p on behalf of associates of Cornwall Property (Holdings).

Keyser Ullman bought 40,000 Moores Stores at 35½p.

Cutler and Co. on Friday bought for an associate 617,097 P. J. Evans at 75p.

MOWLEM BID TALKS WITH SOUTHERN CONSTRUCTION

Bid discussions were announced yesterday between building companies John Mowlem and Southern Construction Holdings. In a statement Mowlem said that exploratory talks were taking place with a view to an agreed bid being made for Southern.

The news came after market hours yesterday, but Southern shares managed an increase of 1½p. to 26½p, which values the company at just over £1m. A week ago Southern produced interim figures showing a fall in pre-tax profits from £120,000 to £101,000.

THREE REEVES DIRECTORS TURN DOWN HEENAN

In what appears to be an about-face move, Mr. Brian Wild, chairman of Reeves and Sons, has written to shareholders saying that neither he, nor co-directors, Mr. F. C. Triggs and Mr. M. B. Whittle, now intend to accept the offer by Heenan Beddow. At the same time, however, he says that the recommendation of the bid, made on the advice from Hill Samuel, remains unchanged.

Mr. Wild says that since Mr. Christopher Simmons, acting Reeves managing director, wrote to shareholders recently disassociating himself from the bid and putting forward alternative proposals, holders of some 46 per cent. of the company's shares have stated they do not intend accepting the offer. It was in the face of this response that Mr. Wild and the other two directors have changed their minds on selling their shareholdings.

Mr. Simmons' proposals for Reeves included the appointment of Mr. Wilfred Cass as managing director of Reeves. Mr. Cass, who with Mr. Simmons owns 20 per cent. of the company's shares, said yesterday he was "absolutely delighted" the Board had changed its mind. He was sure Reeves could be made profitable and he now hoped Heenan Beddow would give up.

However, a spokesman for Samuel Montagu, advisers to Heenan Beddow, said yesterday that the bid would still go ahead. The spokesman added that Heenan Beddow now owned 8 per cent. of the Reeves equity, some 2 per cent. having been bought in the market since the bid was announced.

ALLIANCE SELLS RAGLAN HOLDING

Alliance Property Holdings has sold its holding of 11.76m. shares in Raglan Property Trust for over £1.3m. Although the price per share has not been disclosed, the total consideration suggests slightly over the 11p average which Alliance paid when it made its investment in Raglan.

Purchasers of the 36 per cent. stake in Raglan were Edward Bates and Sons and Eldridge, Stapleford and Co., on behalf of themselves and investment clients. In a statement yesterday both said they had bought the shares as an investment and that it was not intended to make an offer for the remaining capital.

The sale by Alliance does not come as a surprise. After its abortive attempt with the vendors of Martlet Developments (Sussex) to get representation on the Raglan Board at a meeting earlier this month, Mr. L. D. Webb, an Alliance director, said it was intended to sell the share stake.

The disposal indicates that Alliance has finally given up hopes of taking over Raglan. In the past three years it has made a number of unsuccessful attempts. At the extraordinary meeting on September 3, it was purely a technical slip which kept Alliance out of Raglan since, with the vendors of Martlet, Alliance had the support of over 50 per cent. of Raglan's equity.

Finally, Alliance announced last week that it had agreed terms whereby it is to be taken over by Cornwall Property (Holdings) with terms underwritten for cash at 105p a share.

The Raglan chairman Mr. James Rowland-Jones said yesterday he always welcomed new shareholders to Raglan. He said he had not been in contact with Edward Bates and Sons or Eldridge, Stapleford, but did not object in principle to the idea of their representation on the Board to safeguard their investment, "providing that is all it would be."

SEAFIELD-SIME DARBY

The value of Seafield Amalgamated Rubber estates recently announced as part of its defence against the bid by Sime Darby Holdings has been questioned by Mr. D. W. Pinder, Sime's chairman. In a letter to Seafield holders he warns them not to be "misled" by theoretical valuations into thinking it could be more profitable to liquidate Seafield.

Mr. Pinder says there have been no substantial land sales in Selangor at prices anywhere near those implied by Seafield's valuation. In addition, profit received by land sales would be subject to capital gains tax.

Seafield's profit forecast for the current year, adds Mr. Pinder, shows virtually no growth in earnings per share after adjusting for acquisitions. He also feels "it is irresponsible to suggest that your shares, in the absence of our offer, would continue to appreciate in value."

Finally, Mr. Pinder again urges Seafield members to accept the Sime Darby offer, which closes on Friday.

SETTLE SPEAKMAN BOARD CHANGES

At yesterday's extra-ordinary meeting of Settle Speakman, the resolutions to remove certain directors and appoint others in their place were passed. The Board is now constituted as follows: Mr. J. W. Adkins, Mr. J. Janson, Mr. D. J. P. Bryans and Mr. R. W. Reeves.

The meeting was called by Eastern and General Holdings, which controls 75 per cent. of SS, following a hotly defended take-over bid, since the original Board declined to resign when the bid went unconditional.

The Board which fought the bid stayed in office long enough to sell a subsidiary, the Byatt Group, to Bristol Street Group, at a price above that at which EGH had planned to sell the same assets to Lex Service. The only survivor of the previous Board on the new Board is the managing director, Mr. J. W. Adkins.

RANK BUSH BUYS BARON INSTRUMENTS

Rank Bush Murphy has acquired all the capital of Baron Instruments from Hurrell and Johnson. Baron, makers of quality marine electronic equipment for sail and power boats, is located at Cowes, Isle of Wight. Mr. J. A. Belcher remains as managing director.

BONOCHORD

In a letter to shareholders outlining the acquisition by Bonochord of four Austrian companies known as the Viennatone Group, Mr. R. Rigby, the former's chairman, says that the purchase will ensure continuity of supply of hearing aids. This is because Viennatone has for some time manufactured about 50 per cent. of hearing aids sold by Bonochord.

Terms of the proposed rights issue to raise funds to repay the company's bankers some £300,000 should be finalised in October and an announcement will be made then. The money due to the bankers forms part of the purchase price of some £410,000 for the Viennatone Group.

GLASS AND METAL

The acquisition of the capital of Jeffries Bros. (Engineers) by Glass and Metal Holdings has been completed. The purchase price was 123,000 Ordinary 10p shares of G and M plus £6,889 cash.

TATE & LYLE $3M. U.S. DEAL

Pacific Molasses Company, a member of the United Molasses Group, has acquired all the outstanding shares of Berger and Plate Company of San Francisco and its subsidiaries at a total cost of about U.S. $3m.

Berger and Plate is engaged in the trading and handling of a wide range of agricultural products including grains, pulses, seeds, animal feed ingredients and spices, with operations in California, Oregon, Washington, Idaho and Nebraska.

This acquisition compliments the activities of Pacific Molasses, which is engaged in the distribution of molasses throughout the U.S. and Western Canada and in international trading, handling and storage of fats and oils.

United Molasses is part of the Tate and Lyle Group.

HAMPTON TO BUY BESTMORE

C. and J. Hampton is to buy Bestmore Tool and Edge Tool Company, manufacturers of hand hammers and drop forgings, for £95,000 cash.

Profits, before tax, of Bestmore for the year ended March 31, 1971, amounted to £35,529 and sales were £217,196. Net assets at that date were £51,356.

A. & S. HENRY

The formal document relating to the improved offer for A and S Henry from Great Universal Stores has now been sent to Henry shareholders by S. G. Warburg. The offer is now recommended by the Henry Board.

Henry chairman, Mr. Frank Miller, says that from the detailed discussions which have taken place between the companies it is clear not only that the expansion of the Henry interest in a highly competitive mail order trade would be greatly helped by close association with and access to the expertise and resources of GUS, but also that a number of the other activities of Henry being complementary will receive benefits from a merger with GUS.

RECENT ISSUES

EQUITIES

Issue Price p***	Amount Paid Up	Latest Renunc. Date	1971 High	1971 Low	Stock	Closing Price p***	+ or −	Div. % or Amount	Times Covered	Gross Yield	P/E Ratio
—	F.P.	—	51	39½	Cap. & Counties W'rr'ts	41	−1½	—	—	—	—
♦	F.P.	—	220	150	Carron Co. (Hldgs.)	150	......	b20	2.3	3.3	13.1
5	nil	—	13½	12½	Cosalt Warrants	13½	......	—	—	—	—
44	F.P.	27/8	65	52	Forminster 10p	65	+1	b3.7½	1.4	5.9	12.0
—	F.P.	29/10	96	93	Grand Met. Warrants	93	......	—	—	—	—
—	F.P.	16/9	77½	65	Mocklow (A.&J.) Dfd.	76	......	—	—	—	—
—	F.P.	—	161	150	Slater W. Secs. W'rr'nts	154	......	—	—	—	—
100	F.P.	—	106	102	Slater W. Inv. Tst. (50p)	104	−1	54	—	1.9	—
28	F.P.	3/9	36	32½	Thanet Inv. Warrants	34	......	—	—	—	—
90	F.P.	—	78	60	Tigon Group	75	−5	bd35	2.0	4.7	11.0
—	—	5/11	55	38	Tr'mlg'thin 'B' W'rr'ts	50	+½	—	—	—	—
♣	F.P.	—	93	77	Unitech 10p	77	−5	v10	4.0	1.2	19.8
♦17½	F.P.	8/9	18	16½	Wright-Scriven (12½p)	17¼	......	b12	1.5	8.7	7.7

FIXED INTEREST STOCKS

Issue Price	Amount Paid Up	Latest Renunc. Date	1971 High	1971 Low	Stock	Closing Price	+ or −
††	F.P.	—	123	113	Adepton new 8½% Conv. Uns. Ln. 90/95	117½	−2½
£100	£10	20/1	12⅝	10½	Agr. Mort. 9% Deb. 1979-82	12⅝	
$100	F.P.	—	100	98½	Airlease 9⅜% Gtd. $ Bds. 1986	100	+1¾
$100	F.P.	—	100	99	Do. 8¼% Gtd. $ Notes 1976	100	+½
††	F.P.	17/9	112	98	Butterley 10% Part. Conv. 1978	112	......
£100	F.P.	22/10	125	108	Cavenham 10% Partly Conv. '91-6	123	−1
£100	F.P.	22/10	102½	101½	Do. 11% Uns. Ln. 1976	102¼	......
‡‡100	F.P.	—	89	85	Central & Sheerwood 10% Uns. 1981	88	......
£100	F.P.	29/10	128	115	Concentric 10¾% Cnv. 1996	128	......
£100	£65	14/1	76	67	Distillers 10⅛% Uns. Ln. '93-8	76	......
£100	nil	—	16	8½	Dowty 7% Conv. Uns. '88-91	7½pm	−¼
††	—	14/10	115	98	Drakes 11½% Uns. Ln. 71/78	101½	......
£100	F.P.	—	120	104	Do. 10½% Part. Con. Uns. 1976	120	......
*99	F.P.	1/10	111	101¾	Eastbourne Water 10¾% Red. Deb. '95-?	111	......
**100	F.P.	—	111	110	Do. 10% Red. Pref. 1976	111	......
£100	£25	—	31	30	Essex Water 10% Deb. 1993-4	31	+¼
£100	F.P.	29/9	107¼	100⅝	Fine Inv. 10½% Deb. Stk. '91-6	107	−¼
£100	F.P.	—	110½	106	Gillett Bros. 10% Sub. Uns. '91-6	110	......
£100	F.P.	29/10	104¼	100¾	Grand Met 9½% Uns. '77-79	104¼	......
£100	£50	—	55½	54¾	Do. Do. 4¾ Cum. Pref.	55½	+½
£100	£25	—	33	28½	Guinness (A.) 10% Uns. 1993-98	33	+¼
£100	F.P.	—	104¼	100	Int. Bank 8% 1976	104	......
£100	F.P.	—	102	98½	I.C.I. Int. Fin. 8% ST. DM. Bds. '78-86	101¼	−⅛
£97	£10	4/2	15½	10	Ireland 9¾% Stock 1991-96	15½	......
£100	F.P.	—	110	102	Kalim 10½% Conv. Uns. Ln. Stk. 92/97	110	......
£100	nil	—	11½	4	Lon. & Mid. 9½% Conv. Uns. 1988-91	4½pm	......
£100	£80	—	80½	80½	Lunt C. & Pitt 8½% 1st. Mort. Deb. '90-5	80½	......
£99	£30	15/12	32⅛	30¾	Nottingham 8% Red. Stk. '79-80	31⅞	+⅛
£100	F.P.	5/10	124½	114½	Racal Elect. 6% Conv. '95-2000	123	......
††	F.P.	—	42	41	Rothschild Inv. 4½% Deb. Stk	42½	......
††	F.P.	—	51	47	Do. 5% Cum. Pref.	51	......
††	F.P.	—	58½	53	Do. 6% Cum. Pref.	58	......
£99	£50	31/1	60½	60	Sheepbridge 10½% Deb. '92-7	60½	......
£100	F.P.	—	106½	101	Simonside Inv. 4½% Conv. Uns. 1976	101	−2
£100	F.P.	—	114	105½	Slater W. Inv. 8¼% Part. Conv. 1981	114	+¾
††	F.P.	14/10	161	125	Tozer Kemsley 8% Conv. 1981	145	−2
£100	F.P.	5/11	107	101½	Trafalgar Hse. 10½% Uns. Ln. 2001-6	107	+½
a£100	F.P.	—	55½	52½	Yorks Chems. 10% Deb. 1991-6	53½	......
£100	£10	29/10	18½	18½	York Water 10% Red. Pref. 1976	18½	......

"RIGHTS" OFFERS

Issue Price p***	Amount Paid Up	Latest Renunc. Date	Stock	Closing Price p***	+ or −
12½	F.P.	—	Bristol Plant	14½	−½
100	Nil	—	Chubb & Sons	16pm	−4
50	Nil	—	Cosalt	54½	......
70	Nil	—	Dutton-Forshaw	26pm	+½
88	F.P.	—	London & Lennox 'B'	94	−1
47	—	Nil	Oil & Assoc.	2pm	+½

Renunciation date usually last day for dealing free of stamp duty. a Placing price to public. b Figures based on prospectus estimate. d Dividend rate paid or payable on part of capital; cover based on dividend on full capital. h Figures based on prospectus or other official estimate for 1969-70. p*** Pence unless otherwise indicated. ** Issued by tender. ‡ Offered to holders of Ordinary shares as a "rights." ♥ Issued by way of rights. † Rights by way of capitalisation. †† Tender allotment price. ♦ Reintroduced. ‡‡ Issued in connection with reorganisation, merger or take-over. ✻ Provincial quotation. ♣ Introduction. ♠ Issued to former Preference holders. ‡ Dealt in under Special Rule. § Price at time of suspension.

Massive vote for Bastogi merger, but fight goes on

BY A SPECIAL CORRESPONDENT

ROME, Sept. 28.

BASTOGI shareholders voted by a surprisingly large majority to-day to approve the proposed merger with SES and SGES Finanziaria and Italpi.

Shareholders representing over 40m. votes were present at the crowded meeting, and they voted 33m. in favour and 7.7m. votes against. Normally this could be taken as an absolutely conclusive majority in favour of the merger. However, representatives of the Westdeutsche Landesbank Girozentrale refused to admit defeat. As they pointed out, the public tender offer to buy 20m. shares at Lire 2,800 each runs until October 8.

It will be quite possible for shareholders, even those who voted for the merger at to-day's meeting, to sell their shares to the Girozentrale before this date. Furthermore, nearly 20m. shares were still unaccounted for at to-day's meeting.

Nevertheless, the first round of the proposed merger has been concluded, with all the companies involved voting with large majorities in favour.

Signor Tullio Torchiani, president of Bastogi, rejected all the charges levied against him on the grounds of a poor past profit record and of disadvantageous terms for Bastogi shareholders.

Answering shareholders' questions, he clearly linked the present operation to the Montedison question. The enlarged Bastogi with its nearly 7 per cent. shareholding in Montedison, will be in a position to strongly reinforce the private enterprise nature of the Montedison group, he said. The strong Bastogi holding would form the base around which other private groups were expected to coalesce to counterbalance the State-controlled holdings of ENI and IRI.

He acknowledged that at currently depressed share prices and lack of dividend, Montedison was not an immediately attractive investment. He pointed out, however, that disposal of such a large packet of shares would not have been possible without further heavy falls in the share price. Against this, he gave strong praise to Signor Eugenio Cefis, the new president of Montedison, and declared his faith in the strong recovery of that company under the new management.

The Bastogi operation, when completed, will probably be followed by further developments in the organisation of Montedison itself. This is expected to take place through the stripping of Montedison's peripheral activities and shareholdings and their incorporation into a new finance company.

Shares of this company would be quoted on the principal Bourses and offered to the present shareholders of Montedison in part compensation for the passed dividend last year. This would leave Montedison strictly as an operating company in the chemical, synthetic textiles and pharmaceutical sectors and reaffirm its essentially industrial nature.

It was on the need for Italy to re-create a viable chemical complex, the need to keep the necessary financial resources in Italian hands that Signor Torchiani insisted, and he contrasted this with the nature of the counter-offer from Bastogi's being made on behalf of foreign financial interests.

Zanussi extends short time

PORDENONE, Sept. 28.

Industrie Zanussi announced further short-time working for 9,400 of the 12,350 workers involved in the domestic appliance sector. The short time will affect workers in five plants starting from October 22.

Earlier this month Zanussi announced short time for 6,000 workers in the television, large installation and other departments starting in October.

The group, which employs nearly 30,000 workers in Italy, explained the sort-time working was mainly due to rising costs and stagnant export and domestic markets.

Reuter

Top W. German steel concerns cut output

BY CHRISTOPHER LORENZ

FRANKFURT, Sept. 28.

THE WEST GERMAN steel industry will shortly have nearly 8,000 workers on short time. In the last two days three major concerns have announced new measures to cut back production following a further decline in orders. Most of the cut-backs are in the formed steel sector.

Hoesch, which to-day announced that from the middle of next month an initial 250 workers in its pipes company would be put on short time until further notice, says that the situation in its flat steel sector is satisfactory. However, a recruitment halt has been ordered for the whole group.

Friedrich Krupp Huettenwerke, which last month announced that 870 workers were to be put on short time at the beginning of this month, said to-day that it will also have to make 680 employees redundant by the end of next March. It is trying to do this by retiring elderly employees earlier than usual.

The newly-formed Stahlwerke Roechling-Burbach announced less than a week ago that 450 workers were about to have their working hours cut. It has now extended the number to 2,700. Meanwhile, August Thyssen Huette has notified 1,850 employees of impending short time, and Kloeckner-Werke 2,100 workers. Kloeckner may also dismiss a further 180, though this is not yet settled.

The only bright piece of news to emerge from the industry to-day was that, for the moment at least, Mannesmann has managed to avoid introducing short time. Three weeks ago it warned that it might have to cut the hours of about 1,000 workers, but it has now managed to redeploy them within the concern.

The situation has caused alarm in some circles, particularly as it has escalated just before the opening of the National Metalworkers' wage negotiations. The decline in orders set in almost a year ago, and since then it has become apparent that things would get worse before they got better.

Qantas reports 35% drop in 70-71 profits

By Michael Southern, Australia Editor

QANTAS, the Australian international airline, to-day reported a profit drop of 35 per cent. for the 1970-71 year—from $A8.1m. in 1969-70 to $A5.3m. The drop came in spite of 13 per cent. increase in revenue. Expenditure for the year rose by 18.6 per cent.

In the report, tabled in the Senate, the chairman, Sir Roland Wilson, said the short-term outlook was not as encouraging as he could wish. Increasing aggressiveness by scheduled and charter carriers in competing for the Australian market was an important contributor to the adverse trend.

He hoped that cost improvements programmes, along with strengthened marketing campaigns, would let the airline remain profitable in the coming year without any loss in quality of service.

The report showed revenue for the year at $A225m., against $A198m. in the 1969-70 year. Expenditure was $A219m., compared with $A185m. in the previous year.

A dividend of 7.5 per cent., which will be paid to the Government has been recommended, instead of the usual 10 per cent.

Sir Roland said that the first half of the last financial year, which ends in March, showed revenues and profits well ahead of expectations. The decline in the rate of growth of air traffic became apparent as the year progressed and reached its lowest ebb in the final quarter. As well as increased competitiveness, other factors were a weakening in the British and American passenger and cargo markets, a loss of mail carriage during the U.K. postal strike and industrial problems in Sydney. As a result, the load factor fell for the entire year from 51.1 per cent. in the preceeding year to 48.1 per cent.

AUSTRIAN BANKING

Girozentrale's success story

BY PAUL LENDVAI, VIENNA CORRESPONDENT

THE TAKEOVER of a 10 per cent. interest in Schoeller und Co., Austria's most prestigious private bank, by the Girozentrale, the umbrella institute of the savings banks, has introduced a new and important dimension into the Austrian banking scene.

In view of the international connections of both financial institutions, the partnership between the Girozentrale—in terms of balance-sheet total the second largest bank, and the foremost merchant bank operating on a relatively small capital basis—has implications which merit attention in European financial centres.

Girozentrale und Bank of the Austrian Savings Banks (GZ) has emerged during the past few years as the most dynamic "newcomer" in the small world of Austrian banking. During the last decade its balance-sheet total recorded a fivefold rise to Sch.26,000m. (£433m.) and it has moved up from fourth to second place among the credit institutions. Historically, the main business of the Girozentrale, established in 1937, is to serve as the liquidity centre of the savings banks. Though it is still an important function, Girozentrale is now deeply involved in a wide variety of forms of banking business, ranging from loans to finance capital projects and portfolio management to dealing in foreign exchange and participating in syndicates for Eurobond issues. In short, there is hardly a potentially profitable activity connected with trade, industry and finance in which GZ does not seem to have an interest.

In Austria, as elsewhere, the tendency toward "universal" banking has produced a new competitive situation. The traditional demarcation lines between the different types of financial institutions have become more blurred. Relying on a large volume of funds from the savings banks, its building society and itself, the Girozentrale has become a major force in financial and allied activities. It operates a building society with total deposits reaching some Sch.5,000m., and housing loans last year amounting to almost 40 per cent. of total borrowing from building societies. GZ, in co-operation with BAWAG, the union bank and the umbrella institute of the Farmer Credit Co-operatives, has launched three investment trusts and a unit trust, has acquired the right to issue savings banks bonds totalling over Sch.1,250m., and has taken over a savings banks computer company which is to set up computer centres nationally.

Its engagement in the short- and medium-term credit sector, and in leasing and factoring, has brought the GZ into competition with the joint stock banks and private bankers on all these fronts. In July, the Girozentrale, in co-operation with two large savings banks and BAWAG, set up a factoring company, followed last week by the establishment of a leasing company which will be jointly operated with Schoeller und Co. and a German leasing company, Mietfinanz Muelheim.

The success story of the Girozentrale is in no small degree due to its general manager and chairman, Dr. Josef Taus, who at 38 is widely regarded as a "wonder boy" of post-war Austrian banking. At the age of 28 he was an executive director of GZ and at 33 he was appointed as Secretary of State in charge of nationalised industry. One year later Dr. Taus became chairman of the supervisory Board of OEIG, the holding company for the nationalised sector, a position he still holds. He simultaneously entered the four-member Board of GZ and in 1968 he took over as chief executive of the bank. His liveliness, imagination and flair has not only led to interesting new departures in banking business but has also attracted an extremely high quality of relatively young executives. His prestige is such that at 30 he was proposed as a candidate for Finance Minister by former Chancellor Klaus, and last spring a group in the People's Party publicly advocated his election as new party leader, an offer which Dr. Taus—at any rate for the time being—politely declined.

Dr. Taus and his team has also challenged the long-established banks in their traditional areas—foreign business. The Girozentrale participated last year in 39 international syndicates for Eurobond issues to the tune of Sch.100m. Apart from the Creditanstalt Bankverein, the largest joint-stock bank, no other Austrian bank has been appearing so frequently in the "tombstone" advertisements for Eurobond issues. The Girozentrale has also established close connections with its German sister institute, the Westdeutsche Landesbank Girozentrale and its head, Herr Ludwig Poullain. Another important link has been forged through the partnership with Chase Manhattan which in Vienna owns the Oesterreichische Kommerzialbank.

Two years ago the Girozentrale acquired a 25.5 per cent. interest in this business bank. Through these ties, the GZ is also connected with the International Orion Banking Group (National Westminster, Royal Bank of Canada, Westdeutsche Landesbank and Chase Manhattan).

The acquisition of a 10 per cent. interest in Schoeller und Co., the oldest private merchant bank, means, in effect, that the Girozentrale now has its own merchant banking arm.

Beyond the obvious advantages of complementary business, this latest deal, allegedly costing the GZ some Sch.45m. to Sch.50m., demonstrably marks a breakthrough away from the traditional pattern of a savings bank specialising in a narrow field.

"I personally believe that Vienna could once again become an interesting international financial centre. We don't want to dominate our new partner but help to maintain fully functioning private banking in Austria," said Dr. Taus at the Press conference given jointly by the Girozentrale and Schoeller. The unprecedented post-war success story of the Girozentrale provides the best proof that, given the right Government policy, Vienna could play a greater role than hitherto in international business.

IN BRIEF

Europe

● NV DELI-MAATSCHAPPIJ, Amsterdam, and Cie Industrielle et Forestiere (Indufor), Brussels, announced a bid of 450 per cent. on the share capital of Jongeneel, a Dutch timber trading group. Recently the Dutch-German Theyssen-Bornemisza Group offered 400 per cent. for Jongeneel, which considered this bid unacceptable. Deli and INDUFOR said Jongeneel will fit in plans to expand their timber trading business.

● CIE. ELECTROMECANIQUE (CEM), has been awarded a Frs. 70m. contract to supply electrical equipment for the projected steel plant of Ugine-Kuhlmann at Fos-sur-Mer, on the Mediterranean. CEM is subsidiary of Brown-Boveri AG, of Switzerland.

● ALGEMENE BANK NEDERLAND and Amsterdam-Rotterdam Bank will cut interest rates on fixed-time saving deposits by ½ per cent., effective October 1. New rates will be 6½ per cent. for two-year deposits, 6¾ per cent. for three-year and 7 per cent. for four-to-five-year deposits.

● CREDIT COMMERCIAL DE FRANCE will ask shareholders on November 24 to authorise a convertible bond issue to a maximum Frs.200m.

● STE INTERNATIONALE D'ENERGIE HYDRO-ELECTRIQUE (SIDRO) said it made a net profit of B.Frs.89m. in the year ended June 30 compared with a net loss of B.Frs.244m. in the previous 12 months. The company, in which SOFINA owns a controlling interest, earlier announced plans to increase its net dividend to B.Frs55 from B.Frs.40.

North America

● TELEX COMPUTER PRODUCTS and SMS, Inc. jointly announced that they have signed an agreement under which SMS will provide Telex with an advanced type of memory circuit which will be incorporated by Telex in memory systems which will be sold or leased as replacements for memory systems produced by major computer manufacturers. SMS will commence deliveries of the product to Telex during the latter part of the year. The term of the contract extends for a minimum of 48 months. Telex Computer Products is a wholly owned subsidiary of The Telex Corporation, Tulsa, Oklahoma. SMS Inc. is a California subsidiary of Corning Glass Works.

● UNIVAC DIVISION, SPERRY RAND CORPORATION said it laid off about 7 per cent. of its marketing employees in Canada because economic conditions prevented operations there to expand as much as had been projected for this year.

● CUMMINS INTERNATIONAL FINANCE, subsidiary of Cummins Engine Company, will offer $15m. subordinated convertible debenture issue due 1986, First Boston Corporation announced. The issue will carry a 6¼ per cent. coupon. Offer was originally set at $20m. Debentures will be convertible into the common stock of Cummins Engine Company at one share for $56.50, conversion premium of 10.5 per cent. Other underwriters in group are Union Bank of Switzerland (Underwriters), J. Henry Schroder Wagg and Co., S. G. Warburg and Co., and White Weld and Co.

Others

● AUSTRALIAN PAPER MANUFACTURERS announced a one-for-ten rights issue of $A1 shares at a premium of 20 cents each. The company is expected to hold its 10 per cent. dividend rate on higher capital; the issue will lift the capital by $A7.1m. to $A75.9m. Issue will be made to shareholders of October 29. New shares will be payable at 60 cents on application and 60 cents on July 15, 1972.

● BARLOW RAND said preliminary figures show Middelburg Steel and Alloys will incur loss of Rand4.5m. in year to December 31, 1971. Scheme of arrangement between Rand Mines and Thos. Barlow and Sons earlier this year indicated Middelburg 1971 profit would be substantially greater than Rand700,000 in 1970.

SELECTED EURODOLLAR BOND PRICES
MID-DAY INDICATIONS

	Bid	Offer
Straight		
Atlas Copco 9½pc 1985	101¼	102¼
ASEA 8½pc 1986	94	95
Beecham 8½pc 1986	93½	94½
Borregaard 8½pc 1986	94¾	95¾
Conoco 8pc 1986	93½	94½
Conoco 9½pc 1985	102½	103½
Courtaulds 9½pc 1985	100½	101½
Denmark 9pc 1982	101	102
Esso 8pc 1986	96½	97½
Esso 9pc 1985	102½	103½
General Mills 8pc 1986	92¾	93¾
GUS 8½pc 1986	93½	94½
Rambros 9½pc 1985	102¾	103¾
Hamersley 9½pc 1985	100½	101½
ICI 6½pc 1982	83½	84½
Ireland 8½pc 1989	91½	92½
ISEC 9pc 1985	99½	100½
Massey Ferguson 9pc 1982	100	101
Monsanto 8½pc 1985	100	101
Mt. Bk. Finland 8½pc 1986	93½	94½
Occidental 9½pc 1982	96	98

	Bid	Offer
Oslo 8½pc 1986	93½	94½
Olivetti 9½pc 1985	101½	102½
Ontario Hydro 8½pc 1986	94½	95½
Philips 6½pc 1976	94	95
Quebec Hydro 8½pc 1986	93½	94½
Transocean Gulf 8pc 1986	93½	94½
Notes		
Cabot 8½pc 1976	99½	100½
Ericsson 8½pc 1975	100½	101½
Esso 7½pc 1978	95½	96½
Esso 8½pc 1975	102	103
Gatx Oswego 8½pc 1977	96½	97½
Hawker 9pc 1975	100	101
Nippon Petr. 7½pc 1973	97½	98½
Oslo 9pc 1975	102	103
Transocean Gulf 8½pc 1975	100½	101½
Source: White Weld Securities.		
Convertibles		
American Can 4½pc 1988	77½	78½
American Brands 5½pc 1988	114	115½
Amoco 5½pc 1984	95½	96½
Beatrice 7½pc 1990	117	118

	Bid	Offer
Borden 6½pc 1991	104½	105½
Chrysler 5pc 1988	71½	72½
Continental Tel. 5½pc 1988	95½	96½
Eastman Kodak 4½pc 1988	99	100
Equity Funding 5½pc 1989	87½	88½
Firestone 5pc 1988	98½	99½
Ford 6pc 1986	108	109
Fuji Photo Film 6½pc 1983	130	
Honeywell 5pc 1983	109½	110½
Kinney 6½pc 1990	106½	107½
Komatsu 6½pc 1984	88	89
Michelin 6pc 1985	94	95
Murphy 5pc 1989	82½	83½
Owens Illinois 5pc 1977	88½	89½
Pepsico 4½pc 1981	136	137
Rand Selection 6½pc 1986	93½	94
Revlon 4½pc 1983	101½	102½
RCA 5pc 1988	86½	87½
Texaco 4½pc 1988	84½	85½
20th Century Fox 5pc 1987	52½	53½
Union Carbide 4½pc 1983	93	94

Source: Kidder, Peabody Securities.

COMPANY NEWS

Growth for Keyser Ullmann

MR. EDWARD DU CANN, MP, chairman of Keyser Ullmann Holdings, looks forward to a year of increased profitability in both the banking and non-banking

During the year ended March 31, 1971, the group continued to chart a path of "development and steady progress." Group net profits, after tax and transfers to reserves, came to £792,000, compared with £781,000.

Profits of the bank after transfer to inner reserves were similar to those of last year, reflecting difficult trading conditions suffered at the beginning of the year. Net attributable profit of non-banking interests increased by 11.6 per cent.

Development of the bank has continued despite the adverse economic climate. London Interstate Bank is already transacting profitable business and Keyser Ullmann SA, the Swiss banking subsidiary, has commenced profitable trading, reports the chairman.

In contrast to last year, current trading has begun well and he looks forward to higher profits. As a result of confidence in the future the dividend is raised ½ per cent., as known, to 14 per cent. for the year and a scrip issue is proposed. It is also intended to split the £1 shares into four of 25p each.

These measures will be for future benefit of holders and Mr. Du Cann is confident of maintaining a dividend rate of 14 per cent. on the increased capital.

Meeting, 31, Throgmorton Street, E.C., October 21, at 12.15 p.m.

BOARD MEETINGS

The following companies have notified dates of Board meetings to the Stock Exchange. Such meetings are usually held for the purpose of considering dividends. Official indications are not available whether dividends concerned are interims or finals and the sub-division shown below is based mainly on last year's time-table—

TO-DAY

Interims—BBA Group, Brixton Estate, Doulton, Expanded Metal, Hiltons Footwear, Lamson Industries, Leslie and Godwin, Stanley Miller, Phoenix Assurance, Rockware Group, Thomson T Line, Universal Grinding.

Finals—Dowgate and General, Emu Wool, Industrial Finance and Investment, Meat Trade Suppliers.

FUTURE DATES

Interims—		
Barclay Securities	Sept.	30
Beech (Austin S.)	Oct.	5
Bowthorpe	Oct.	5
Brown Bayley Steels	Oct.	1
Erith	Oct.	14
Martin Walter	Oct.	7
Straits Rubber	Sept.	30
Streeters of Godalming	Oct.	5
Toye	Sept.	30
Wilmot Breeden	Oct.	6
Finals—		
Aurora Gear	Oct.	7
Dowding and Mills	Sept.	30
Goodman Bros. and Stockman	Sept.	30
Ramar Textiles	Sept.	30
Second Broadmount Trust	Oct.	5
Startrite Engineering	Oct.	8
Sun Life Assurance	Oct.	6

ALLIED FIRST DIVIDEND

Allied Hambro announces that the distribution of income payable September 30, 1971, in respect of units in the Allied First Trust, for the accounting period ended August 19, 1971, will be 0.6573p net per unit.

Leon Berner setback

In the year ended May 31, 1971, profits of Leon Berner Group have fallen from £79,300 to £26,037, the second half deteriorating in dull trading conditions.

After tax of £2,662 (£31,050), net profit was £23,375 (£48,450). A final dividend of 12½ per cent. makes the total 20 per cent., as forecast in the January, 1970, prosepectus.

In the first few months of the current year indications are that results will exceed those of the previous year and the Board has every reason "to look forward to a more satisfactory year."

The group's business is that of steel manufacturers and stockholders.

Extract Wool loss: no dividend

Extract Wool Holdings incurred a pre-tax loss of £44,927 for the year to June 30, 1971, against a profit of £60,977 for the previous 15 months, and is omitting payment of an Ordinary dividend, compared with a total of 7 per cent. for the previous period.

Arrangements have been made to restrict production at two of the three units in the spinning and fabrics divisions which suffered losses of £24,138 in the year.

Further sales of fixed assets will result in a substantial reduction of interest charges in the current year, the directors state.

	Year 1970-71 £	15 months 1969-70 £
Dyeing & binding profit	[illegible]	[illegible]
Spinning, etc., loss†	[illegible]	[illegible]
Profit balance	[illegible]	[illegible]
Administration	[illegible]	[illegible]
Interest payable	[illegible]	[illegible]
Trading loss	[illegible]	[illegible]
From invst. grant res.	[illegible]	4,114
Other income	[illegible]	2,490
Pre-tax loss	44,927	*60,977
Taxation	[illegible]	[illegible]
Net loss	[illegible]	[illegible]

* Profit. † Raw materials, spinning and weaving.

A debit balance of £56,901 (£2,000) has been transferred to revenue reserves. There has been charged against reserves £26,879 (£48,061) in respect of exceptional items.

Cement-Roadstone

IT IS considered unlikely by the directors of Cement-Roadstone Holdings (formerly Roadstone) that the profit and dividend forecasts for 1971 will be met.

They now expect that, with a determined effort to minimise the effects of rising costs outside group control, pre-tax profit will not be less than £3.75m. and the dividend total not less than 15 per cent.

The forecasts were made at the time of the 1970 merger between Roadstone and Cement—Roadstone indicated a 1971 profit of £1,745,000 and Cement £2,564,000, with a minimum 18 per cent. dividend by the merger company. Combined profit for 1970 was in line with forecasts at £1,662,043 and the dividend for that year was the foreshadowed 13½ per cent.

First-half 1971 pre-tax profits are reported at £1,976,000 with a net attributable balance of £818,000—comparative previous year figures would serve no useful purpose, the directors state. An interim dividend of 7 per cent. is declared.

During the half-year the group benefited from the high level of activity in the building industry caused by the mild winter and the large backlog of work. However, despite increases in trading volume, profits have been affected to a significant extent by cost increases not recovered fully because of price control.

In the circumstances the results are considered satisfactory. Although trading is now returning to a more normal pattern, heavy cost inflation still persists.

Directors point out that in making the profit and dividend forecasts for 1971 at the time of the merger, they assumed that cost increases outside group control would be matched by price increases, but price control has been exercised to reduce margins considerably.

Further, the substantial increase in company tax with a large retrospective element had not been introduced and it is estimated that the additional provision for tax up to December 31, 1971, will amount to £700,000.

These factors, together with the effects of inflation, have restricted the growth of profit and placed a greater strain on liquid resources than originally envisaged.

	Six mths. 1971 £000
External sales	16,308
Trading profit	3,433
Depreciation	925
Investment income	40
Interest charges	589
Profit	1,976
Estimated tax (including equalsn.)	1,146
Net profit	830
Minorities	12
Attributable	818

S & U Stores recovery

Six-months draft accounts just available suggest that the recovery of S and U Stores, the Birmingham-based retailing and mail order group, is continuing and should be reflected in this year's results.

This was stated yesterday by Mr. C. Coombs, chairman, at the annual meeting.

Mr. Coombs said: "While forecasts of any kind are particularly hazardous these days, I feel there is no doubt that we are on our way back. The draft six-months accounts just available confirms that our recovery continues and this of course should be reflected in this year's results."

After adjustments for a shortened accounting 1970-71 year, S and U pre-tax profit for a full 12-months would have been in excess of £600,000, compared with £556,420 for the full year to March, 1970.

COMPANY NEWS IN BRIEF

JOREHAUT AMGOORIE TEA ESTATES—Group turnover £2,469,585 for 1970. Profit before tax £13,054. Tax £200. Retained £12,854. Fixed assets £2,910,464. Net current liabilities £113,186. Meeting, Winchester House, E.C., October 22, at 11 a.m.

HALLWINS (clothing mail order)—Results 16 months to June 30, 1971, and one-for-one scrip issue proposed, reported September 8. Dividend forecast for current year is at least 20 per cent. (same equivalent on annual basis). Group fixed assets £547,051 ([illegible]). Net current assets £216,950 (£122,206). Chairman says initial reaction to present catalogue is very heartening and directors consider prospects for current year are bright. Having regard to present banking facilities Board are satisfied that resources will be adequate to support anticipated expansion of business. Meeting, Southend-on-Sea, October 20, noon.

TRANS AUSTRALIA INVESTMENT TRUST (managed by J. Henry Schroder Wagg and Co.)—Results, year ended July 31, 1971, reported September 17 with asset value. Although fund is firmly committed to long term growth of Australian economy Board feels it would be in interests of shareholders to increase percentage of investments held outside Australia and to participate in a wider range of investment opportunities. In view of this Board feels it appropriate to change name to Australian and International Trust and a resolution to this effect will be proposed. Meeting, 120, Cheapside, E.C., October 20, at 2.30 p.m.

FOX'S BISCUITS—Results, year ended May 31, 1971, reported September 8. Group fixed assets £1,047,226 (£1,068,297), current assets £978,095 (£765,942) and liabilities £1,041,426 (£676,306). Group has strengthened its connection with its principal customer, Marks and Spencer, and chairman considers this "stable and profitable sector" of trade a great asset. Meeting, Leeds, October 20, at noon.

SOUTH AFRICAN TORBANITE MINING AND REFINING COMPANY—Results, year ended June 30, 1971, already known. Fixed assets R892,000 (R1,000,000). Net current assets R1,152,000 (R1,045,000). Meeting, Johannesburg, October 21.

ZETTERS POOLS—Results for the year ended March 31, 1971, and chairman's observation reported September 1. Fixed assets £247,094 (£235,612). Net current assets £91,034 (£9,415). It is proposed to change the name to Zetters Group. Meeting, 86-88 Clerkenwell Road, October 20, 3 p.m.

PEACOCK AND NILAMBE TEA ESTATES (HOLDINGS)—No Ordinary dividend for year 1970 (nil). Consolidated loss before tax £6,652 (subsidiary only 1969 loss £1,206). Tax overprovided in prior years nil (£5,000). Debit forward £6,145 (credit £1,674).

JOREHAUT HOLDINGS—Dividend 5 per cent. (same) for 1970. Profit £20,442 (£41,652) after tax credit £1,290 (charge £1,800). Attributable £17,126 (£41,652).

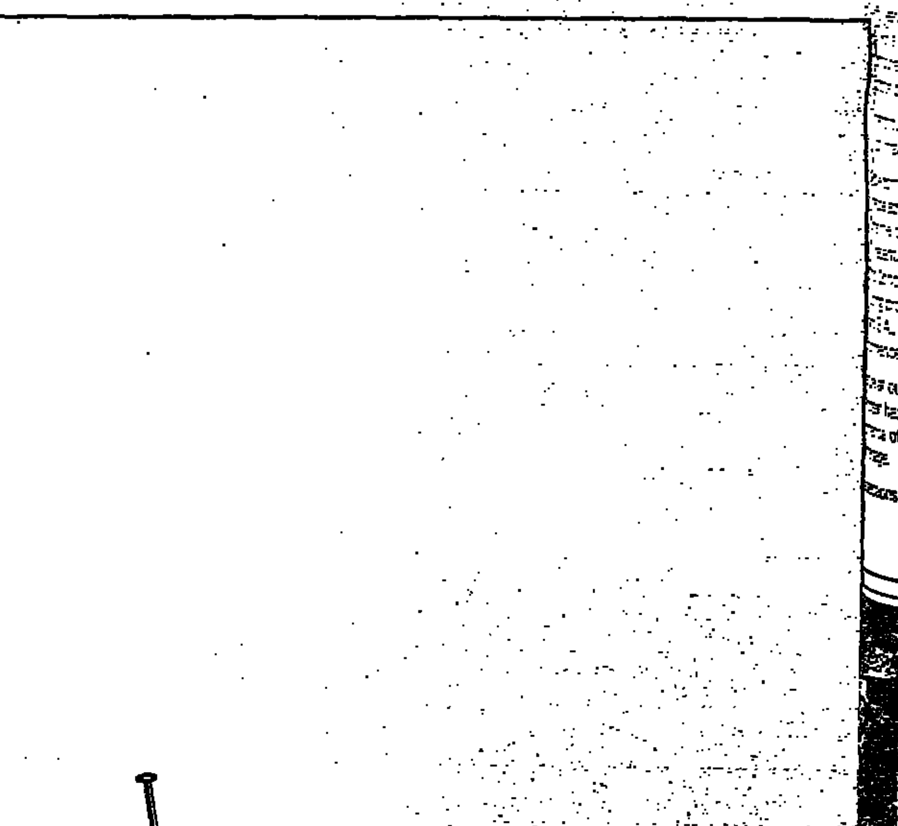
LEADERFLUSH (DOORS)—Interim 5 per cent. (same—10 per cent. total). Profit half-year to June 30, 1971, £15,067 (£11,425) and investment income £2,797 (£3,414), making £17,864 (£14,839). Tax takes £7,143 (£5,779). Retained £2,678 (£977). Dividend waivers on 191,717 shares.

CAMELLIA INVESTMENTS—Dividend 10 per cent. (9 per cent.) for 1970. Group profit £30,155 ([illegible]) after tax £13,272 ([illegible]) attributable £17,075 ([illegible]).

GRESHAM HOUSE ESTATE—Interim 17 per cent. (same—total 31 per cent.). Pre-tax revenue half year to June 30, 1971 £130,161 (£140,625). To tax £24,070 (£35,094), minorities £7,439 (£4,942), net balance £[illegible] ([illegible]).

NEW WORLD AND GENERAL INVESTMENTS—Gross income half-year to April 30, 1971, was £49,944 ([illegible]) less expenses, interest, etc., £[illegible] ([illegible]) leaving pre-tax revenue £[illegible] (£41,050). Net asset value per Ordinary 25p share at April 30 was 66p including dollar premium.

REDNOR (controlled by Diploma Investments: makers of terminals eyelets rivets, etc.)—Dividend 15 per cent. (12½ per cent.) for 18 months to June 30, 1971. Profit £121,750 ([illegible]) for . Net profit attributable £68,112 ([illegible]). Figures include 15-month contribution from Stocko (Metal Works). Improvement at Stocko should continue and new contracts have recently been obtained. Henry Whitham is feeling some effect of decline in steel and engineering but there are signs of turnover returning to normal. Group actively seeking new acquisitions in engineering and allied fields and chairman looks forward to year of expansion. Meeting, October 29.



COMPANY NEWS

Rowntree Mackintosh upgrades forecast

A FORECAST of profits in excess of the July estimate of £7.5m. is now given by Rowntree Mackintosh for the year 1971.

This excludes £350,000 pre-tax surplus from the sale of part of the investments arising from the holding of Bovril Ordinary shares.

Reporting improved figures for the first 24 weeks, the directors are raising the interim dividend from 7½ per cent. to 8 per cent.; they also propose a one-for-one scrip issue and subdivision of the £1 shares into 50p shares.

The period has shown continued growth both in the U.K. and overseas. The rise in profit from £1.74m. to £2.04m. is a reflection of higher sales turnover, benefits of heavy capital expenditure and cost reduction programmes throughout the group during recent years, and the virtual completion of the Rowntree Mackintosh merger.

Trading has continued on a satisfactory basis in the second half; the effect on sales of the recent reduction of purchase tax and the downward trend of interest rates are helpful factors.

	24 weeks	
	1971	1970
	£000	£000
Group sales	55,100	51,300
Trading profit	*2,660	2,250
Interest paid	640	510
Investments sale	—	10
Profit before tax	2,040	1,750
Taxation	860	790
Minority interests	220	†210
Attributable	960	760

* After depreciation £1.74m. (£1.56m. and £3.42m.). † Adjusted to reflect rights, the profits for half-year, of Preference holders in subsidiaries.

The year 1970 produced a profit £6.44m., before investment sales surplus of £248,000. The dividend total was 22½ per cent., and at least maintenance of that has been indicated for 1971.

CHERSONESE HOPEFUL

Although prices of commodities produced are lower the directors of Chersonese (FMS) Estates are hopeful that current year profits will be about the same as the £301,463 achieved in 1970.

Estimated profit for the first seven months of 1971 is slightly above the comparable figure for last year, report the directors.

Adwest puts 3% on dividend

TURNING IN record profits Adwest Group is stepping up its dividend by 3 per cent. to 28 per cent. for the year ended June 30, 1971. The final is 19 per cent., against a forecast of at least maintenance of 16 per cent.

From a turnover of £14,957,000 against £13,275,000, profit, before tax, has gone ahead by 29 per cent. to £1,628,000. In the first half an increase from £466,399 to £556,477 was shown.

After tax of £621,000 (£601,000) and minorities £60,000 (£23,000) there remains an attributable balance of £947,000 (£637,000). After payment of the dividend there will be an addition to the carry forward of £477,000 (£217,000).

Meeting of the group (manufacturers of automotive, agricultural, electrical, hydraulic and general engineering products), noon, November 5, at the Dorchester Hotel.

R. B. Massey's progress

Group pre-tax profit of Robert B. Massey, specialist coach builders and engineers, increased from £106,768 to £151,792 in the half-year to June 30, 1971.

And chairman, Mr. R. Massey, says present indications are that progress will be maintained and that profits for the year "will be satisfactory." The figure for the year 1970 was £201,415, and the dividend 10 per cent.

All divisions are trading satisfactorily and good headway is being made with new projects. The recently formed finance company, Massfinance, is expected to complement sales activities both at home and overseas, the chairman adds.

Profit for the six months is after depreciation £14,767 (£14,264 and £31,578 for the year) and interest on borrowings £28,795 (£26,461 and £49,604).

J. N. Cornell plans for the future

Shareholders of James N. Cornell (Holdings) were told by the chairman, Mr. G. Douglas Laing, at the annual meeting that, since February last, the directors had started upon their plan to revitalise and expand the operating subsidiaries which emerged from the group liquidations in late 1969.

From a labour force of under 100 there were now 270 employees in the various branches of the group and they were engaged in profitable business.

By arrangement with the Stock Exchange the shares of the holding company were meantime in suspense and would continue so for two to three years. Any marketing would be done through the company's offices at Coatbridge.

Not being a trading organisation, the holding company derived its income from charges made upon the operating subsidiary companies from rentals and certain other sources. They had made a modest profit but it would not compare with what they hoped to do in future.

£1.1m. first half drop at Dickinson Robinson

FIRST TIME profits from paper makers, etc. Dickinson Robinson Group fell away by £1.14m., and the second half return is expected to be "somewhat less" than the £7.18m. of the corresponding period of 1970.

The bulk of the drop came in U.K. papermaking and conversion, where conditions in the paper industry were the worst for many years, says the chairman Mr. John Robinson.

Added to that the effects of the postal strike on production of fine paper, envelopes and stationery lasted much longer and were more far reaching than anticipated.

The fine paper machines are back to full time working. However, it has been impossible to recover increased costs in selling prices. Carbonless copying papers have now been proved and the group is producing commercially in limited quantities. Start up costs of nearly £200,000 were charged against group profits in the first six months. It is not anticipated that this project will conribute to profits until 1972.

Canada experienced a very satisfactory six months but in Australia and South Africa inflation made trading conditions difficult.

Although there has been some improvement in the home economy, the Government's measures have not yet resulted in the improvement hoped for. However, profits for the past six months of 1971 should be significantly higher than for the half year now reported.

The interim dividend is held at 2.5p per 25p share—the 1970 final was 4.625p.

	First half		Year
	1971	1970	1970
	£000	£000	£000
Turnover	83,852	81,391	167,989
Sales to customers	70,613	66,524	141,666
Trading profit	*6,581	7,632	15,588
U.K. paper	4,417	5,592	11,193
Overseas paper	1,884	1,920	4,125
Engineering	280	140	270
Investments income	143	218	417
Associates—profit share	95	85	220
Loan stock int.	783	793	1,566
Other interest	252	245	552
Profit	5,784	6,927	14,107
Taxation	2,570	2,856	†5,960
Outside holders	210	258	570
Net profit	3,004	3,713	7,577

* After depreciation £2.1m. (£1.97m. and £4.36m.). † Excludes £565,000 over provision.

Movitex forecasts 17½%

Provided nothing untoward occurs, Movitex, plastic and specialised engineers, intends to pay a total dividend of 17½ per cent. for the current year—interim 5 per cent. and final 12½ per cent. This would compare with a total equal to 13⅓ per cent. for the previous year—adjusting for a proposed one-for-two scrip issue.

As reported on September 1, group profit, before tax, for the year to February 28, 1971, was £221,035 (£192,291) and the dividend 20 per cent. (same). Turnover was £1,463,016 (£1,216,552).

Mr. R. W. Bulfield, chairman, says the sign division made solid progress and extended its overseas operations by expanding into North America. Although a very lucrative market, this will take considerable effort to exploit. At present further steps are being considered to expand marketing interests throughout the rest of Europe.

The record division showed steady progress and maintained its margins on increased turnover. Several projects for expanding this division are under consideration.

Progress of the engineering division was impeded by the downturn in the economy and also lack of confidence reflected throughout the engineering industry generally. However, the division is trading more profitably at the moment and the level of orders has picked up.

Meeting, 107, High Street, Edgware, October 20, noon.

CHANCELLOR ADDRESSES WORLD BANK

"Erosion" of U.K. payments must not inhibit expansion

MR. ANTHONY BARBER, Chancellor of the Exchequer, addressing the annual meeting of the World Bank and International Monetary Fund yesterday in Washington, first spoke of the effect of the monetary crisis on the developing countries. "So much has been done in the past to promote the prosperity of the developing world that it would be a tragedy to allow it now to be reversed by financial instability or trade restriction."

Much still remained to be done, Mr. Barber went on. The fact that there were still millions of human beings existing in a state *of degradation* "is an affront to our ideals and makes a mockery of our civilisation.

Disappointing

"It was particularly disappointing when the third replenishment of resources of the International Development Association failed to become effective this summer. In the U.K. we were very concerned to ensure that this delay should not break the flow of IDA commitments.

"So, early in June, we obtained Parliamentary approval not only for our ratification of the third replenishment but also for taking part in interim arrangements to enable us to provide up to one year's instalment.

"We offered immediately an advance pledge of \$50m. This, together with other advance contributions, secured the IDA's commitments for the first few months of the new fiscal year.

"I am happy now to pledge to the Association in advance a further \$53.68m., representing the balance of our first year's contribution to the third replenishment, which we hope will soon be made fully effective."

Since they had met last year in Copenhagen, the British Government had announced an accelerating programme for official overseas aid for the next few years, despite the fact that it had announced extensive reductions in many other forms of public expenditure. But official aid alone is not enough.

"We all recognise the importance of the role of private investment. In the U.K. we have decided to introduce both an investment insurance scheme and a scheme for supporting pre-investment studies by the private sector.

Confidence

"It cannot be said too often that the prerequisite of private investment is a climate of confidence and stability in the recipient country, for there are plenty of opportunities for scarce capital elsewhere.

"I have come to Washington direct from taking the chair at a two-day meeting of Commonwealth Finance Ministers. There were more than 30 countries represented. As well as developed countries, the Commonwealth contains almost half the people of the developing world represented here to-day. It is not going too far to say that they recognised that probably just as important to them as all the aid and all the investment is a stable and liberal system of trade and payments."

Turning to the U.K. economic situation, the Chancellor referred to the "canker of inflation" which had been eating away at the prospects of stability and improving prosperity.

Organised labour had found new power in the conditions of full employment, so the balance of collective bargaining had changed. Cost inflation had not only altered the whole relationship between prices and employment but had had profound consequences for international trade and payments.

"The U.K. has been no exception," declared Mr. Barber. "During the past year or two the pace of our inflation has been much too fast, and substantially greater than that of most other industrial countries. Now the prospect looks more hopeful. This summer, British industry—both private and public—itself volunteered a programme for price restraint, and did so because it considered it to be in their own interests.

"This programme provides a concrete assurance for the unions, and there is now a reasonable chance of a progressive reduction in the level of pay settlements. Indeed, it is on this that the success of our policy primarily depends.

Opportunity

"So now we have the opportunity of reducing the pace of inflation to more acceptable proportions. But the faster inflation which we have already experienced in the U.K. is bound to have a delayed adverse effect on the future course of our balance of payments.

"This will be reinforced by the faster expansion of demand, and the need to take up slack in our economy, which will lead to a substantial increase in our imports. It will be essential to ensure that balance of payments difficulties do not once again frustrate our efforts to secure sustained growth with steadier prices.

"Our comparatively slow rate of economic growth since the war has been attributed to many different causes. Two of those causes have certainly been our labour relations and our peculiarly steep and complicated system of direct taxation.

"One of the main aims of the present administration has been to create a new long-term basis for industrial relations. We have studied and applied the experience and legislation of many other countries, and our new and comprehensive Industrial Relations Act became law last month.

Unemployment

"In addition to the problem of inflation, we have been suffering from a rising level of unemployment. It was because of this, as well as because of the slow rate of economic expansion and the better outlook on the pay and prices front, that I came to the conclusion that it was both right and safe to introduce measures to expand demand.

"This, coupled with reductions in public expenditure, has enabled us to make progress with our longer-term policy of reducing taxation. We are now well advanced on a fundamental reform of taxation, covering personal direct taxation, indirect taxation and corporate taxation."

The Chancellor pointed out that U.K. quantitative restrictions on bank lending had been replaced by a system for controlling the supply of credit, which would combine greater freedom for financial enterprise with effective control of the total money supply.

One development of great consequence in the past year has been the substantial completion of negotiations to join the EEC, and next month Parliament would take the decisive vote. "I am sure that the decision will be that we should join," he stated.

Co-operation

Mr. Barber devoted the remainder of his address to the international monetary system. He stressed that the prosperity of the free world that had been built up over the past 25 years, is based on international co-operation and a largely free system of trade and payments. That system, and the world prosperity which depended on it, was now in danger.

"The fundamental causes of the present crisis are deep-seated *and far-reaching—and far-reaching* action will be required to deal with them. The immediate occasion of the problems we now face was the American measures of August 15.

"It was, I suppose, just because the leadership of the U.S. in world economic affairs had so often been taken for granted—from Bretton Woods to the Kennedy Round—that the shock of those measures was all the greater. It seemed—that almost overnight—much of the progress which had so patiently been achieved since 1945 was suddenly once more at risk.

Problems

"The problems faced by the U.S. Administration both as to the balance of payments and its domestic economy are immense. Here is a nation which over the years has shown a generosity unparalleled in history. A people who have been prepared to back one Administration after another in their actions to fortify the industrial world and to aid the developing world.

"They are entitled now to look to their friends, and to call for a common solution to a common problem. And if some of us have been urging upon the U.S. Administration—as I have—some modification of the position they took on August 15, that does not detract from the responsibility of the rest of us.

"It is a responsibility, not merely to record our gratitude but to act together with the U.S. to work out a solution of the immediate problem. And a responsibility, working through the IMF, to evolve a new international monetary system to meet the demands of the 1970s and beyond.

"I hope that the programme of work which has now been put in hand will lead to realistic parity realignments and other measures to restore equilibrium, and to market rates being again held within agreed margins.

"I mention here that I am among those who believe that there may well be advantage in some limited widening of the margins as an aid to dealing with the problem of capital movements. It will also be necessary to provide for the IMF to carry on its normal operations on a sound and sustainable basis.

Looking at long-term reform, the Chancellor said he thought there was considerable common ground. The view had been expressed that it was desirable to move away from national currencies as reserve assets and towards developing the SDR (Special Drawing Rights). To use the SDR in new ways meant considerable changes in the present scheme.

"What I have in mind is a modified SDR. Since it would plainly be inefficient to have in being two kinds of SDR, the changes necessary to permit new and wider uses of the SDR would also have to apply to the existing scheme."

A plan for reform could be built round three central points:

1—The SDR could become the *numeraire* in terms of which parities were expressed and in relation to which currencies were revalued or devalued.

2—It could become the main asset in which countries held their reserves. Already to-day most countries held their reserves in gold, in currencies and in SDR, but mostly in currencies. Eventually — it would no doubt take time—the SDR could become the major element, with currency holdings largely confined to working balances.

3—Arrangements would be needed to provide for the controlled creation of adequate but not excessive world liquidity without reliance on the deficit position of one or more countries. That intention of the existing SDR scheme needed to be carried forward to make it effective.

"A system on these lines should provide for, and indeed promote, appropriate adjustment by all countries—those in surplus as well as those in deficit—in order to maintain equilibrium, and so avoid one of the unsatisfactory features of the present system," continued the Chancellor.

"In this reformed system, some of the main features of the present SDR would continue. It would still be held and exchanged only by Central Banks and monetary authorities. National currencies would remain the medium for ordinary trading and market intervention, but for these purposes wider use might develop of *currencies other than the dollar.*

"Central Banks would therefore continue to need working balances of currencies. But over time these should be reduced to a reasonable working level."

Advantages

Listing some of the advantages, Mr. Barber claimed it would help to revive some of the best elements in the Bretton Woods concept and improve the scope for control over the creation of new international liquidity.

In regard to parities, the unique problem for one currency, the U.S. dollar, would disappear. Dollar parity would be expressed in terms of SDR in the same way as any other currency. That would give the U.S. Government an important instrument of adjustment policy which it had hitherto ruled out—the possibility of changing the parity of its currency in the same way as other countries, subject to the same machinery of international agreement through the IMF.

"I would think that this freedom would be welcome to the U.S. In addition all countries would have the option of meeting their convertibility obligations by buying and selling SDR against their own currencies."

Conversions

Problems to be solved included the question whether existing official holdings of reserve currencies should be converted into SDR's and, if so, how fast. He envisaged a gradual conversion over a period of time.

"Primarily I have in mind the problem of existing holdings of U.S. dollars, but these general principles could also provide a way of running down over time the reserve role of sterling, which is already envisaged by the British Government."

As S.D.R.'s were issued for that purpose they would have to be matched by retirements of reserve currencies. One method would be to set up a new account in the IMF to which special issues of SDR would be made, equivalent to the expected maximum amount of conversion.

Then, when a reserve currency country was asked to convert a particular balance of its currency, it would draw SDR from the account for the purpose, and deposit its own currency in exchange. Thus the country with the reserve holding would then hold SDR, and the IMF account would hold the currency balance.

Conversion operations would not add to international liquidity. Decisions about the desirable quantity of liquidity would be separate.

Another important problem would be the nature of the obligations to be undertaken by reserve currency countries in respect of the balances which had been converted into SDR. There would be questions as to the appropriate rate of interest for SDR and the basis of valuation of SDR, bearing in mind the function which they would have as a store of value.

While the problem of capital movements would remain, he believed it would be more manageable in a new system giving better control over the volume of liquidity and a smoother process of adjustment.

U.K. 'moving into leisure revolution'

BRITAIN STANDS on the brink of a leisure revolution, a conference was told yesterday. Mr. H. T. Hitchin, president of the Institute of Baths Management, said the revolution would follow entry to the Common Market.

Already, thousands of skilled Britons were working in West Germany for more money and security, shorter hours and better holidays, he told the swimming pool men at the opening of their golden jubilee conference at Blackpool.

"With the removal of barriers, undoubtedly British employers will gradually have to concede Common Market standards and an increase in both affluence and leisure will have considerable repercussions on recreation services."

Mr. Hitchin forecast that luxurious standards of service would be expected from existing leisure facilities. Workers with more time and money would demand far more varied recreations. It was essential that politicians should realise failure to plan for future leisure needs would channel surplus affluence and leisure time into undesirable outlets.

Patchogue to raise output of Poly Bac

PATCHOGUE PLYMOUTH, a division of Amoco Oil, is to raise by 30 per cent. output of its Poly Bac woven polypropylene, which is used as a backing for tufted carpets. New looms are being installed in November at the division's Consett plant and should be fully operational by the beginning of next year.

Sales of Poly Bac were running at twice last year's level during the first nine months of 1971, according to Mr. Derek Hussey, deputy managing director. New machinery will be installed in the research and development department.

'Big scope for home freezers in E. Midlands'

THE East Midlands Electricity Board expects to sell more than 4,000 home freezers this year compared with only 200 less than three years ago, Mr. Kenneth Finch, the Board's chief commercial officer, said in Coventry yesterday.

Addressing an area conference of the Electrical Association for Women there, Mr. Finch said the Board, with 1¼m. customers, still had considerable scope for extending the benefits of freezers to housewives in the East Midlands.

He loked forward to the day when a freezer would be taken as much for granted in the average home as a television set or an electric cooker.

Qantas plans Sydney-London charter flights

QANTAS hopes to begin overseas charter flights early next year with a Sydney-London return fare of less than £373. It now costs more than £607 for the same journey, economy class, on a Qantas scheduled flight.

The airline has given the Australian Government its recommendations for fares, together with proposals for setting up a Qantas subsidiary to run the charter operations. A spokesman for the airline said it was planned to try out charter flights first on the route from Australia to Britain via the Middle East and Europe.

CAR RETAILING

A booklet called Careers in the Retail Motor Industry has been produced to attract more young recruits. The booklet covers pay, educational requirements and types of jobs offered.

Copies wil be available direct from the Motor Agents' Association or from its stand (No. 6) at the Earls Court Motor Show from October 20-30.

The corporate finance game.
And how Charterhouse can help you climb the ladders and avoid the snakes.

City institutions are not all alike. Most of them can arrange a loan for you, or issue a debenture.

Fewer give close and continuous consultation to help you determine exactly what you need over a long period of time. And get it.

Charterhouse Finance Corporation is one of the few. Through its merchant banking subsidiary it can draw on the skills of an expert corporate finance division as well as expertise in areas as widely different as foreign exchange, investment management or insurance broking.

If it's appropriate to raise finance by a Eurodollar Loan, we'll tell you...and arrange it.

If an aggressive acquisition programme will best solve your problems, we can help with that too.

And if you need help to fight off a predatory bidder we'll be by your side.

We are probably the most business-orientated of all City financial institutions. In another part of our group, we own and run businesses ourselves, so we really are sensitive to the problems of money management today. That's one reason why we believe we can help on a long term basis-not only with money, but with advice.

If you think we could be helpful, call Michael Levete at Charterhouse Finance Corporation at 01-248 3999.

Or if you are in the Midlands ring Ralph Sammell at 021-236 4936.

Charterhouse

The Charterhouse Group Limited, 1 Paternoster Row, St Pauls, London EC4P 4HP.

APPOINTMENTS

Two main Board posts at Bovis

Mr. Malcolm Paris, financial controller of Bovis and Mr. S. G. Jefcoate, secretary of the company, have been appointed to the main Board.

Mr. Paris joined Bovis in 1970 from the Vickers group. Mr. Jefcoate was with Shell Mex and BP before joining Bovis in 1968.

Mr. J. P. Holding is leaving the Board by mutual agreement.

★

Mr. J. O. Whitmee, vice-chairman of Tate and Lyle and chairman of the executive committee, has resigned as a director and chairman of TATE AND LYLE REFINERIES.

Mr. Colin Lyle has been appointed chairman of TLR and retains his responsibilities as chief executive.

★

Mr. R. A. Hope will be retiring from the Board of CONSOLIDATED GOLD FIELDS on December 31, when he will be returning to Johannesburg as a full-time executive director of Gold Fields of South Africa.

★

Mr. Leslie Atkins has been appointed to the new post of process director of SUN PRINTERS (British Printing Corporation). He was previously technical manager.

★

Mr. Nigel Foulkes, former managing director of Rank Xerox, has joined Dr. Michael Z. Brooke to form FOBAS (Foreign Business Advisory Service).

★

Prince Richard of Gloucester has assumed the appointment of president of the INSTITUTE OF ADVANCED MOTORISTS. Prince Richard passed his IAM driving test in September, 1965.

★

Mr. David Angwin, managing director of GKN Machinery, has been elected chairman of the BRITISH METALWORKING PLANT MAKERS' ASSOCIATION for 1971-72. Mr. Frank Alsop, managing director of Loewy Robertson and Co., has been elected vice chairman of the Association.

★

Mr. Peter Kellogg joins FISONS on October 4 as group treasurer.

★

Mr. A. E. Moore, at present manager, export finance office of WILLIAMS AND GLYN'S BANK, has been appointed deputy director, international banking division. Mr. J. A. Angus, Mr. G. K. Harlock and Mr. G. W. Leovold, managers of the international banking division, have been made divisional managers, all effective from October 1.

★

Mr. Claude Hankins has been appointed executive director, personnel, of the BRITISH RAILWAYS BOARD. He will leave his present post of chief personnel officer, London Midland Region, to take up his new position on October 4.

★

Mr. T. M. Thomas and Mr. D. Regan have been appointed to the Board of AIRBORNE INDUSTRIES.

★

Mr. R. M. Mathers has been appointed a director and general manager of THOMAS GREEN AND SON, a Hawker Siddeley company, to succeed Mr. L. P. Wilson who is leaving by mutual agreement. Mr. C. B. Cape has also been appointed a director.

★

Mr. D. P. S. McCarthy has been appointed to succeed Mr. C. H. Elliott as chairman of the ATTOCK OIL COMPANY from to-morrow. Mr. Elliott will continue on the Board.

★

Mr. H. J. Witheridge, chief executive of MIDLAND AND INTERNATIONAL BANKS since it began business in 1964, is retiring to-morrow. He will be succeded by Mr. J. H. Jennings, who has been appointed director and general manager from October 1.

★

CIBA-GEIGY (U.K.) has appointed Dr. O. Niederhauser and Dr. K. Rohner to its Board. Both are members of the management committee of Ciba-Geigy A.G., Basle.

★

On October 1 Mr. Geoffrey G. Rogers will succeed Mr. C. N. Bromley as chairman of the SOUTH OF ENGLAND BUILDING SOCIETY.

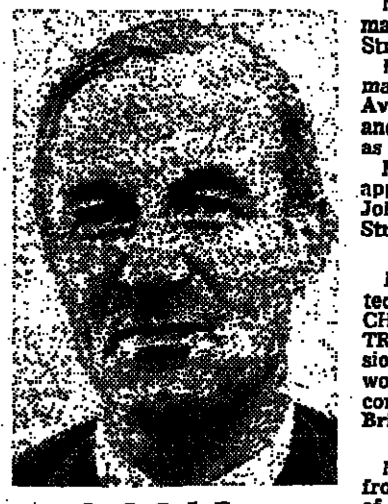
★

Mr. N. J. Campbell, secretary of W. D. and H. O. Wills (Australia) and assistant secretary of the parent company, BRITISH TOBACCO COMPANY (AUSTRALIA), will succeed Mr. M. M. Woollett, as secretary of the latter company to-morrow.

Mr. C. J. C. Gold, at present assistant secretary of W. D. and H. O. Wills (Australia) will become secretary of that company.

★

The following changes have been made to the Boards of the subsidiaries of RICHARD JOHNSON AND NEPHEW:



Mr. C. C. J. Forge

Mr. P. Johnson becomes chairman of Johnson and Nephew (Steel) and Mr. D. Winnard, managing director. Mr. D. N. Botterill joins the Board as purchasing director and Mr. C. P. Rigby as director of technology.

Mr. T. G. Kirkbride is now chairman of Johnson and Nephew (Non-Ferrous) and Mr. J. Pretty has become managing director.

Mr. A. R. Gill has been appointed deputy chairman and chief executive of the recently acquired John Rigby and Sons and Mr. R. G. Hardy, Mr. B. J. Lang and Mr. D. Stead have joined the Board of that company.

Mr. A. R. Gill has joined the Board of Lavite, a subsidiary of John Rigby and Sons.

Mr. B. J. Lang has been mare marketing director of Gordian Strapping.

Mr. Johnson also becomes chairman of Peerless Fencing, Mr. J. M. Avison is made managing director and Mr. B. J. Lang joins the Board as marketing director.

Mr. E. Ogden has been appointed sales director of Johnson and Nephew (Mill Street).

★

Mr. J. N. West has been appointed managing director of CHARLES SPRECKLEY INDUSTRIES' specialist contracting division. Mr. P. D. Grant becomes works director, Mr. E. A. Burton, contracts director and Mr. R. A. Bridge associate director.

★

Mr. C. C. J. Forge is returning from the U.S. to rejoin the Board of PROCTER AND GAMBLE as director of manufacturing and engineering from October 1.

Mr. J. A. Bradley will become director of employee relations and corporate services and Mr. F. W. Myerscough transfers to Cincinnati as manager, services department, in the management systems division of the parent concern.

★

Mr. A. C. Sheffield, vice-president of the European subsidiaries of the FLUOR CORPORATION of the U.S., has been elected to the corporation's Board. He is also president of Fluor Europe.

New currency to rival Eurodollar forecast

FINANCIAL TIMES REPORTER

THE RISE of a new European common currency to rival the Eurodollar as a trading and investment currency is forecast in a survey, Money Markets of the World: What the Future May Bring, published by stockbrokers Laurie, Milbank and Co. yesterday.

The survey, written by the Director of the Committee on Invisible Exports, Mr. William Clarke, also suggests that Special Drawing Rights in the International Monetary Fund will take over an increasing share of reserve currency status from the dollar and the pound "even after the establishment of a common currency in Europe."

Mr. Clarke foresees the establishment of regional financial networks over the next 20 years, combining several financial centres in one area, "with London, Frankfurt and Zurich dominating Europe, New York and San Francisco dominating North America, and Singapore and Hong Kong dominating S.E. Asia."

"Given the right moves towards an international equity market, there is no reason why London should not be in the forefront in preparing the way for an international stock exchange network—a viable secondary market," the author states.

Sterling crisis

"But it (London) will have to be alert to do so, be given the right domestic climate, and be prepared to do most of the building itself.

"It should be no more impossible than a trebling of its foreign income against a background of sterling crisis in the past decade."

'Temperance' opens new six-storey HQ

THE Temperance Permanent Building Society to-day officially opens its six-storey tower block headquarters at Durrington House, Worthing, Sussex.

Among those attending the opening is Mr. Stanley Morton, chairman of the Building Societies Association, with Mr. Norman Griggs, Secretary-General of the Association, and Mr. S. D. Musson, Chief Registrar of Friendly Societies.

The society has branches throughout the U.K. and is particularly strong in the south.

"It is almost 14 years since the Temperance Permanent moved its administrative headquarters to Worthing from London," a spokesman said yesterday. "In that period its assets have increased by over £100m. to nearly £150m."

'Second chance' for 30 to take degree

By Michael Dixon

THIRTY "second chances" of taking a degree are available next year to non-graduates aged 25 or more, who do not have the normal university-entrance qualification of two GCE Advanced-level passes.

Candidates should apply to the Department of Education and Science (Awards Division 11), Elizabeth House, York Road, London, S.E.1. Application lists close on November 12.

APPEAL JUDGE

Mr. Justice Roskill has been appointed a Lord Justice of Appeal in succession to Lord Justice Atkinson, who is resigning on medical grounds on October 2.

NNUAL STATEMENTS—Continued

THE INDIAN IRON & STEEL CO. LTD.

(Incorporated under the Indian Companies Act, 1913)

At the 54th Annual General eting of the Company held on 22nd September, 1971, SIR REN MOOKERJEE, Chairman, the course of his speech, d:

n recommending a dividend ir Directors give very careful isideration to various factors. ich of your basic plant is old 1 although it is maintained as ll as resources and the availlity of foreign exchange pert, an old plant requires abilitation. The rehabilitan of the major units of the nt requires a great deal of ney and the only means of viding this money is through depreciation charged in ir accounts and whatever is nsferred to reserve less the idends declared.

'he Directors are faced with ther problem: while sharedders naturally expect higher irns, the banks who are the npany's creditors and who vide it with the necessary king capital, look with disour on dividends being paid of overdrafts. Government's e control policy in regard to l while the cost of raw erials, freight, consumable es and labour continues to , means only that, other igs being equal, the available its will continue to shrink. ntaining dividends even at rate of 6% may well prove e impossible unless there is relaxation in the pricing cy. I, therefore, feel that the dend of 6% is fair in the umstances and in fact is iaps too fair. How important ier maintenance of the plant ill be evident from the sucive disasters which have ck major units of plant in other integrated steel plants idia. That your plant has so escaped such a calamity in of seven bundhs and the culty in obtaining essential spares and despite the restrictive tactics adopted by the labour speaks volumes for the efficiency of your plant management. It is true that very large sums of money are spent on the proper maintenance of plant, but it has also paid rich dividends so far. Even so, the very best maintenance engineers in the world would not be able to properly maintain a plant if essential spare parts, accessories and implements were not made available to them in proper time.

I am happy to say that Government have at last realised the importance of this aspect of plant operation where delay in obtaining essential materials can lead and in some cases have actually led to drastic consequences

You may well ask me about the present status of your balancing of plant project designed to increase your ingot capacity by some 300,000 tonnes per annum. A revised scheme is now under discussion between the Government and the Company. The only information I can give you at this stage is that the revised scheme will cost considerably more than the earlier schemes. If the scheme is to be implemented, it will involve obtaining term loans from Government lending agencies. Loans obtained from Government lending agencies, will, under the new directive, entail incorporation of a conversion clause in the agreement. If the conversion of the loan into equity is implemented, then the share of the existing shareholders in the profits and assets of the Company will be reduced by two thirds. Even if the loan is not converted into equity, interest payments will make severe inroads into the profits of your Company, apart from the repayment of principal out of taxed income.

ANGLO AMERICAN INDUSTRIAL CORPORATION LIMITED

(Incorporated under the Companies Act, 1926 (as amended) of the Republic of South Africa.)

An investment holding company administered by aac Anglo American Corporation of South Africa Limited

SHARE CAPITAL

Authorised		*Issued*
R20,000,000	in ordinary shares of R1 each ...	R17,755,056
R 3,000,000	in deferred shares of R1 each ...	R 2,697,000
R23,000,000		R20,452,056

DIRECTORS

HARRY FREDERICK OPPENHEIMER *(Chairman)*, "Brenthurst", Federation Road, Parktown, Johannesburg. *(Chairman of Anglo American Corporation of South Africa Limited)*
SIR KEITH ACUTT, K.B.E., "Dhlulu Mici," Third Avenue, Parktown, Johannesburg. *(Joint Deputy Chairman of Anglo American Corporation of South Africa Limited)*
DOUGLAS OGILVIE BECKINGHAM, 42, The Valley Road, Westcliff, Johannesburg. *(Executive Director of Anglo American Corporation of South Africa Limited)*
BERTRAND LEON BERNSTEIN, No. 2, The Paddock, Stella Street, Sandown, Sandton, Transvaal. *(Chairman of Anglo-Transvaal Consolidated Investment Company Limited)*
WILLIAM FRANK BOUSTRED, 12, Jameson Avenue, Melrose Estate, Johannesburg. *(Director of Companies)*
WILLIAM GRAHAM BOUSTRED, 20, Coronation Road, Sandhurst, Sandton, Transvaal. *(Deputy Chairman and Managing Director of Highveld Steel and Vanadium Corporation Limited)*
HILTON KEITH DAVIES, 78, Argyle Avenue, Hurlingham, Sandton, Transvaal. *(Manager of Anglo American Corporation of South Africa Limited)*
GREY CAMPBELL FLETCHER, M.C., "High Riding," Cleveland Road, Sandhurst, Sandton, Transvaal. *(Executive Director of Anglo American Corporation of South Africa Limited)*
CHRISTOPHER JOHN LAWSON GRIFFITH, Shiel Avenue, Littlefillan Agricultural Holdings, Sandton, Transvaal. *(Manager of Anglo American Corporation of South Africa Limited)*
SIR ALBERT ROBINSON, 15 Killarney Hills, Killarney, Johannesburg. *(Executive Director of Anglo American Corporation of South Africa Limited)*
WILLIAM DOUGLAS WILSON, 23, Hume Road, Dunkeld West, Johannesburg. *(Joint Deputy Chairman of Anglo American Corporation of South Africa Limited)*

ALTERNATE DIRECTORS

FREDERICK SIMON BERNING, 33, Kent Road, Dunkeld, Johannesburg. *(Manager of Anglo American Corporation of South Africa Limited)*
WILLEM JOHANNES HEFER, "Likondwa," 103, South Avenue, Athol, Sandton, Transvaal. *(Manager of Anglo American Corporation of South Africa Limited)*
BASIL EDWARD HERSOV, "Springwaters," West Road, Morningside, Sandton, Transvaal. *(Deputy Chairman and Managing Director of Anglo-Transvaal Consolidated Investment Company Limited)*
ALLAN BRUCE McKERRON, 15, Whitney Avenue, Toronto 287, Ontario, Canada. *(Manager of Anglo American Corporation of South Africa Limited)*
JULIAN OGILVIE THOMPSON, "Froome," Froome Street, Athol Extension 3, Sandton, Transvaal. *(Executive Director of Anglo American Corporation of South Africa Limited)*

Save for Sir Keith Acutt and Sir Albert Robinson, who are both British citizens, the directors and alternate directors are all citizens of the Republic of South Africa. Mr. W. F. Boustred is a director of a company which is listed on The Johannesburg Stock Exchange.

BANKERS
BARCLAYS BANK D.C.O., New Courts Branch, Johannesburg.

LONDON BROKERS TO THE INTRODUCTION
ROWE & PITMAN, Woolgate House, Coleman Street, London, EC2R 5BL and The Stock Exchange, London.

SOLICITORS
To the Company: WEBBER, WENTZEL, HOFMEYR, TURNBULL & CO., Standard Bank Centre, 78, Fox Street, Johannesburg.
To the London Brokers: LINKLATERS & PAINES, Barrington House, 59-67, Gresham Street, London, EC2V 7JA.

AUDITORS
ALEX. AIKEN & CARTER, National Bank Buildings, Simmonds Street, Johannesburg *(Chartered Accountants S.A.)*

JOHANNESBURG SHARE TRANSFER SECRETARIES
CONSOLIDATED SHARE REGISTRARS LIMITED, 62, Marshall Street, Johannesburg.

UNITED KINGDOM REGISTRARS
CHARTER CONSOLIDATED LIMITED, Kent House, Station Road, Ashford, Kent.

ADMINISTRATIVE AND TECHNICAL ADVISERS AND SECRETARIES
ANGLO AMERICAN CORPORATION OF SOUTH AFRICA LIMITED, 44, Main Street, Johannesburg.

REGISTERED OFFICE
44, Main Street, Johannesburg.

LONDON SECRETARIES
ANGLO AMERICAN CORPORATION OF SOUTH AFRICA LIMITED, 40, Holborn Viaduct, London EC1P 1AJ.

LONDON COMMITTEE

JOHN GEORGE RICHARDSON	5, Wynnstay Gardens, London W.8.
LIONEL GEOFFREY STOPFORD SACKVILLE	17, Caroline Place, London, W.2.
JOHN NEIL CLARKE	"High Willows," 18, Park Avenue, Farnborough Park, Orpington, Kent.
JOSEPH RICHARD BYLES	56, Speer Road, Thames Ditton, Surrey.

The London Committee acts in accordance with the instructions of the Board of Directors in connection with The London Stock Exchange quotation and the share transfer office of the Company in the United Kingdom.

The unissued share capital comprises 2,244,944 ordinary shares and 303,000 deferred shares. The shares are under the unrestricted control of the directors but the directors have undertaken that in the case of an issue of shares for cash, unless the shareholders in general meeting otherwise agree, such shares will first be offered to existing shareholders.
The deferred "A" shares, which do not carry the right to receive any dividends declared prior to 1st November, 1971, will as from that date rank pari passu in all respects with the existing 17,755,056 issued ordinary shares. As to the rights attached to the share capital of the Company see under "Articles of Association".
A subsidiary company has outstanding R193,000 7 per cent. Debenture Notes repayable on 31st May, 1978. In the event of default in payment of principal and interest at maturity the Debenture Noteholders can require that ordinary stock in the subsidiary company be issued at net asset value in satisfaction of the obligation.
At 31st July, 1971 the aggregate borrowings from banks on overdraft and on short term from banks amounted to R7,429,000 all of which was made by subsidiary companies. At that date Boart and Hard Metal Products S.A. Limited had borrowed R10,834,000 from Anglo American Corporation of South Africa Limited on short term facility. There were contingent liabilities of the Company and its subsidiaries at 31st July 1971 totalling (A) R8,281,000 in respect of guarantees; and (B) R5,105,000 for contract performance and maintenance guarantees. At the same date hire purchase commitments totalled R478,000 and mortgages amounted to R931 000. Save as aforesaid neither the Company nor any subsidiary had outstanding at that date any bank overdrafts or other similar indebtedness, mortgages, charges hire purchase commitments or guarantees or other material contingent liabilities except guarantees and contingent liabilities incurred in the ordinary course of trading.
At 17th September, 1971 there had been no material change in the aggregate of these amounts.

HISTORY AND BUSINESS

The Company was incorporated in the Republic of South Africa on 27th September, 1963 as an investment holding company for the purpose of acquiring and consolidating investments in a number of South African industrial undertakings held by various companies and organisations associated with Anglo American Corporation of South Africa Limited. In addition certain shares in Anglo-Transvaal Industries Limited were acquired from Anglo-Transvaal Consolidated Investment Company Limited. The Company is administered by Anglo American Corporation of South Africa Limited and details of the contract are set out in "Contracts" below.

The Johannesburg Stock Exchange granted listings for the Company's ordinary and deferred "A" shares on 29th November 1963 and 6th October, 1966 respectively.

The following table details the high and low prices of the Company's ordinary and deferred "A" shares on *The Johannesburg Stock Exchange since the commencement of these listings:*

Calendar Year	Ordinary shares High (cents)	Ordinary shares Low (cents)	Deferred "A" shares High (cents)	Deferred "A" shares Low (cents)
1963	690	620	—	—
1964	1,015	680	—	—
1965	930	640	—	—
1966	825	685	605	545
1967	775	630	840	520
1968	1,000	650	960	530
1969	1,720	750	1,700	710
1970	850	540	770	490

The *principal subsidiaries of the Company and their activities are as follows:—*

SCAW METALS LIMITED ("Scaw") became a wholly-owned subsidiary of the Company in 1964. Scaw operates in three major fields, namely, the manufacture of ferrous and non-ferrous castings, rolled steel products in the merchant bar range, and grinding *media for the mining and cement industries.*

The cast ferrous products include railroad components, such as freight-car wheels and bogie castings.

Scaw contributed approximately 31.5 per cent. of the profits of the Group (after taxation and minority interests but before surplus on *realisation of investments) for the eighteen months to 31st December, 1970.*

BOART AND HARD METAL PRODUCTS S.A. LIMITED ("Boart") became a wholly-owned subsidiary in 1969. The Boart Group comprises over 100 subsidiary and associated companies throughout the western world and in consequence it was decided to change the *accounting period of the Company to the calendar year which* is the accounting period of Boart. These companies are engaged in the manufacture and marketing of all types of diamond and tungsten carbide-tipped drilling tools. Certain of these companies undertake on a contractual basis surface and underground drilling operations and civil and mining engineering services.

For the eighteen months ended 31st December, 1970, Boart contributed approximately 30 per cent. of the profits of the Group. Boart's profit was determined after making provision for substantial losses on certain investments and participations in joint ventures in the civil engineering field. Boart is expected to make an increased contribution to the profits of the Group in future years.

ORANGE FREE STATE LAND AND ESTATE COMPANY (PROPRIETARY) LIMITED ("OFSLE") was acquired from the promoters of the Company in 1963. OFSLE owns approximately 11 635 hectares of land in the Transvaal and Orange Free State, and has mineral rights over almost 10,800 hectares in the Orange Free State. It is also concerned with the establishment and development of residential townships in that province. Certain of OFSLE's subsidiaries are engaged in stonecrushing operations. In the eighteen months ended 31st December, 1970, OFSLE contributed approximately 2.50 per cent. of the Group's profits.

The investment income of the Company accounted for the major part of the balance of approximately 36 per cent. of the profits of the Group. The largest source of dividend income is from the 26.36 per cent holding in De Beers Industrial Corporation Limited, whose major investment in turn is its effective interest of about 42.5 per cent. in African Explosives and Chemical Industries Limited.

The Company has substantial investments in two companies which have not yet reached the dividend-paying stage. Highveld Steel and Vanadium Corporation Limited ("Highveld") operates an iron, steel and vanadium complex at Witbank in the Transvaal, which commenced production early in 1969. An expansion programme is being undertaken which will increase the production of steel products and vanadium slag. Highveld made a profit of R1,881 000 for the six months to 31st December, 1970. Mondi Paper Company Limited ("Mondi") operates a paper mill at Durban, Natal. With the technical assistance of The Bowater Paper Corporation Limited, Mondi has completed on schedule the construction of a paper-manufacturing complex at a cost of R38 million which commenced production in August, 1971. The Company is not in a position to forecast when these two companies will start paying dividends.

Anglo American Corporation of South Africa Limited acts as administrative and technical advisers and *secretaries to the Company* and OFSLE, and provides managerial facilities to the Company and its principal subsidiaries as and when these are required.

INVESTMENT POLICY

At the time of its formation the Company acquired substantial shareholdings in a number of quoted and unquoted industrial undertakings. It has since expanded its investment in South African industry, playing an active part in promoting new industrial ventures. In general the Company invests in companies in which the Anglo *American Corporation Group has control or a participation in management.* To provide funds to repay short-term borrowings from Anglo American Corporation by the Group, the Company has realised this year certain of its non-strategic investments and approximately R7 million has been generated.

There is no limitation in the type of company in which investments may be made nor is there any limit on the percentage of the portfolio which may be held in any one company.

The Company's investment portfolio at 31st July, 1971 was as follows:—

QUOTED INVESTMENTS

	Shares Held	*Proportion of ordinary issued share capital of* each company %	Market Value 31st July, 1971 R	R
Building and Allied Industries:				
LTA Limited	1 000 000	19.26		1.110 000
Iron, Steel, Engineering and related Industries:				18.238 000
Highveld Steel and Vanadium Corporation Limited	4 252.800	7.55	7 017.000	
Stewarts and Lloyds of South Africa Limited	1 102.449	4 89	1 565.000	
The Union Steel Corporation (of South Africa) Limited	3 900.000	13 10	2 622.000	
Barlow Rand Limited	1 100.000	1 31	3 300 000	
Vereeniging Refractories Limited	786.000	15 72	3 734.000	
Industrial Finance				24.750.000
Anglo-Transvaal Industries Limited	100 000	0.87	100 000	
De Beers Industrial Corporation Limited	2.900 000	26.36	24.650,000	
Paper and Packaging:				3 899 000
South African Board Mills Limited	921.608	10.13	1.318.000	
Stafford Mayer Company South Africa Limited	1 730 192	23.73	2.581.000	
Brewers and Vintners				5.773 000
The South African Breweries Limited	3 750.000	2.69	5.700.000	
7 *per cent. Debentures*	*R85 000*	—	73 000	
Food and Produce.				6.065 000
African Products Manufacturing Company Limited	323 500	9.91	896 000	
Huletts Corporation Limited	*1,476 000*	7.23	5.092.000	
Tiger Oats and National Milling Company Limited	15 600	0.13	77 000	
Textiles				1.316.000
Ropes and Mattings Holdings Limited	731.930	9 52		1.316 000
Total Market Value of Quoted Investments				R61.151.000

UNQUOTED INVESTMENTS

	Shares Held	Proportion of Ordinary issued share capital of each company %
Iron, Steel, Engineering and related Industries:		
J L Clark and Company Limited	150 001	25.00
Haggie Rand Limited (previously African Wire Ropes Limited)	44 000	3 06
International Pipe and Steel Investments S.A. (Proprietary) Limited—"C" shares	3 757.426	[illegible]
Lenning Holdings Limited	2 030 000	[illegible]
Mainstraat Beleggings (1965) (Eiendoms) Beperk	228.125	[illegible]
Middelburg Steel and Alloys (Proprietary) Limited—"S" shares	650.000	5 28
Rheem South Africa (Proprietary) Limited—"B" and "C" shares	441 176	35 30
Union Carriage and Wagon Company Limited	11 332	7 42
Zinc Products Limited	67 953	45 [illegible]
Motors:		
McCarthy-Main Holdings Limited	1.350	[illegible]
Paper and Pulp:		
Mondi Paper Company Limited	4 744.433	27 55
Property Development		
Isipingo Property Investments Limited	500	25 00
Vansteel Estates (Proprietary) Limited	7	7.00
Terminal Properties (South Africa) (Proprietary) Limited	40	40.00
Textiles		
Industex Limited	1 273.217	37 45
Transport		
Freight Services Holdings Limited	232.153	[illegible]
Swaziland United Transport Limited	41 667	[illegible]
United General and Financial Investments Limited	25	[illegible]
United Transport Holdings Limited	836 331	25.00
Total Book Cost of Unquoted Investments	R19 132 000	

EARNINGS AND DIVIDENDS

Comparison of the Group profit after tax attributable to the Company for the eighteen months ended 31st *December, 1970, of R15 452 000 with the figure for the twelve months to 30th June, 1969 of R6.326 000 cannot* properly be made, because of the acquisition by the Company in July, 1969 of the Boart Group and the consequent change of accounting year to 31st December.

A first interim dividend of 15 cents and a second interim dividend of 17.5 cents respectively were paid in 1970 followed by a final dividend of 17.5 cents, making a total of 50 cents for the eighteen months to 31st December, 1970 equal proportionately to an annual dividend of 33.3 cents. The unaudited Group profit attributable *to the Company for the six months ended 30th June, 1971,* of R4 888.000 enabled the Company to pay an interim dividend of 15 cents, and the directors expect that unless there is an unforeseen and material change in circumstances the final dividend to be declared in April of next year payable on the issued ordinary *share capital increased by the conversion of the deferred "A"* shares which qualify for dividends declared subsequent to 31st October, 1971, will be not less than 17.5 cents per share.

On 22nd September 1971 Barlow Rand Limited ("Barand"), the major shareholder in Middelburg Steel and Alloys (Pty) Limited ("*Middelburg*") *announced that* Middelburg will incur a loss of the order of R4.5 million in the year to 31st December 1971. The Company and its wholly-owned subsidiary Scaw Metals Limited hold 1,550 000 shares or 8.47 per cent in Middelburg with a book cost of R1 444 000 and in addi*tion, the Company has loaned Middelburg about R569.000. It is intended to write down by* R1,571,000 out of the Group's general reserve in the current financial year the Group's total investment in Middelburg of R2 013 000. This amount is in line with the amounts provided by the companies in the Barand Group who are *shareholders in Middelburg. Active steps are being taken by* Barand to restore the profitability of Middelburg.

It should be noted that the proposed provision against the investment in Middelburg will not affect the earnings and hence the dividends of the Anglo American Industrial Corporation Group.

WORKING CAPITAL

In the opinion of the directors the working capital available to the Group is sufficient for its present requirements.

LAND AND BUILDINGS

Land, buildings and improvements having a written down book cost of R13 915 000 comprise factory, warehouse and office accommodation of some thirty subsidiaries throughout *the world, distributed as follows:—*

	R000's
Republic of South Africa	[illegible]
North America	[illegible]
Europe	[illegible]
Ireland	[illegible]
Rhodesia	[illegible]
	R13 915

AUDITORS' REPORT

The following is a Report by Messrs. Alex. Aiken & Carter, Chartered Accountants (S.A.), the Auditors of the Company:—

The Directors,
ANGLO AMERICAN INDUSTRIAL CORPORATION LIMITED,
JOHANNESBURG.

9th September 1971.

GENTLEMEN,

We have examined the audited accounts of your corporation and its subsidiary companies [illegible]

	Date	Consideration
Orange Free State Land and Estate Company (Proprietary) Limited	10th October, 1963	R2 815 910 [illegible] cash
Scaw Metals Limited	1st April, 1964	[illegible]
Boart and Hard Metal Products S.A. Limited	8th October, 1969 (with effect from 1st July, 1969)	4 070 056 ordinary shares of R1 each issued as fully paid.
Marabou Investments Limited	29th December, 1970	R495,933 in cash.

We have acted as auditors of your corporation since its incorporation. The auditors of the four subsidiary companies referred to above are, and have been throughout the period, in the case of Scaw Metals Limited Messrs. Deloitte & Co., in the case of Marabou Investments Limited Messrs. Goldby, Panchaud & Webber and in the case of the other two Messrs. Howard, Pim & Hardy.

Your corporation and the subsidiary companies referred to above are incorporated in the Republic of South Africa. All figures in this report are stated in South African Rand, the rate of exchange at 31st December, 1970 having been £ sterling 0.583 per R1.

1. *Profits*

The consolidated profits (expressed in thousands of Rand) of your corporation and its subsidiary companies, since its incorporation, were as follows:—

	Period ended 30th June 1964	Years ended 30th June 1965	1966	1967	1968	1969	Eighteen months ended 31st December 1970
Investment income	2.506	3.692	3.435	3.346	3.640	4.063	8.198
Trading profit before depreciation	1.585	6.278	6.478	6.642	7.149	6.786	35.020
Interest earned	62	103	31	324	330	151	1,638
	4 153	10,073	9,944	10,312	11,119	11,000	44,856
Administration expenses	64	143	169	178	197	217	301
Depreciation *of fixed assets*	360	1,182	1,248	1,247	1,172	1,769	7,452
Interest paid	27	—	120	112	—	99	3,212
Expenditure on research and development	—	—	—	—	—	—	1,630
Provision for losses on a joint venture contract and in unquoted companies	—	—	—	—	—	—	3,024
	451	1.325	1 537	1.537	1,369	2,085	15,599
Operating profit before taxation	3.702	8.748	8.407	8.775	9.750	8.915	29.257
South African and Foreign Taxes (including tax equalisation charge)	336	1 677	1.616	2.104	2.452	2.003	9.520
Operating profit after taxation	3 366	7,071	6 791	6.671	7.298	6,912	19.737
Minority interests	56	276	243	290	302	386	4.285
	3.310	6.795	6.548	6,381	6.996	6.526	15,452
Surplus on realisation of investments	—	—	—	—	153	—	2,268
Amount written off investment	—	—	(106)	—	—	—	—
Surplus on realisation of land	—	—	—	—	—	477	—
	3 310	6 795	6.442	6.381	7,149	7,003	17.720

NOTES:

1. **Boart and Hard Metal Products S.A. Limited**
This company has always ended its financial year on 31st December. The consolidated profits (expressed *in thousands of Rand) of the company and its subsidiary companies for the five years ended 31st* December, 1963 as stated in the audited accounts and for the six months ended 30th June, 1969, based on audited accounts, were as follows:—

	1964	1965	1966	1967	1968	*6 months to 30th June* 1969
Profit, after taxation, attributable to Boart and Hard Metal Products S.A. Limited	1.940	2,548	2.296	3,275	3,103	1,630
Portion *applicable to Anglo American* Industrial Corporation Limited's previous minority interest	643	845	761	1.086	1,029	541
Dividends paid to Anglo American Industrial Corporation Limited included in investment income in profit statement	385	385	385	385	385	192

In 1969, before Boart and Hard Metal Products S.A. Limited became a subsidiary of your corporation, one of the subsidiaries of that company realised certain quoted and unquoted investments at an overall profit of R7,189,000 which was credited to capital reserve. Further, there were charged against that reserve provisions amounting to R3,591 000 for expected losses on contracts which had been in progress for several years and amounts totalling R2 329 000 written off investments in and loans to unquoted companies.

2. **Stocks and Work in Progress**
A. ORANGE FREE STATE LAND AND ESTATE COMPANY (PROPRIETARY) LIMITED GROUP
Messrs. Howard, Pim and Hardy, auditors of Orange Free State Land and Estate Company (Proprietary) *Limited have confirmed to us that they have satisfied themselves, and we as auditors of its subsidiary* companies have satisfied ourselves that stocks and work in progress were properly ascertained and were brought to account on bases in accordance with generally accepted accounting principles consistently *applied throughout the period.*
B. SCAW METALS LIMITED GROUP
Messrs. Deloitte & Co., Johannesburg, Messrs. Deloitte & Co., Kitwe, and Messrs. Stewart, Steyn & Co., *auditors of the companies comprising the Group have confirmed to us similarly*
C. BOART AND HARD METAL PRODUCTS S.A. LIMITED GROUP
Messrs. Howard, Pim and Hardy have confirmed to us similarly in respect of the company and its subsidiary companies audited by them and that where no report to the contrary has been made by auditors of subsidiary companies not audited by them they have accepted that the same principles apply. Where reports have been made regarding a change in the basis of valuation reference thereto has been made in the notes of the group accounts. We have satisfied ourselves that the effect of such a change on profit figures quoted above has been insignificant.

3. The emoluments of those who are currently directors of your corporation charged in arriving at the profits for the eighteen months ended 31st December, 1970 were R109,000. Under the arrangements now in force directors' emoluments for the year to 31st December, 1971 are estimated to amount to R65 000.

4. The results of companies in which the corporation and/or its subsidiary companies hold a 50 per cent equity interest or less have been incorporated only insofar as dividends have been paid by such companies to the corporation and/or its subsidiary companies.
R85.000.

2. **Dividends**
Dividends at the following rates have been declared on the issued share capital of your corporation out of the profits for the periods stated:—

	Period ended 30th June 1964	1965	Years ended 30th June 1966	1967	1968	1969	Eighteen months ended 31st December 1970
Rate of dividend	15%	30%	30%	30%	32½%	32½%	50%

3. **Assets and Liabilities**
The assets and liabilities of your corporation and its subsidiary companies at 31st December, 1970 (expressed in thousands of Rand) were as follows:—

	CORPORATION		GROUP	
Investment in subsidiary companies				
Unquoted shares at cost	68,[illegible]			
Loans	2,065			
		70.953		—
Other investments, at cost				
Quoted	46 627		50 950	
Market value	(55,273)		(58,260)	
Unquoted (note 1)	18,165		32 335	
		66 792		83.285
Fixed Assets (note 2)		—		38 683
Township land and buildings at cost less amounts written off				87
Loans		1.580		10.264
Current Assets				
Stocks, stores, raw materials and work in progress	—		23 320	
(note 3)	1 091		20 100	
Joint ventures—expenditure to date less provision for losses	—		2.295	
Cash at bank and deposit	10		6,405	
	1,101		60,118	
Current Liabilities				
Subsidiary companies—loans	1 276		—	
Secured creditors (note 2)	—		1,087	
Other Creditors	16		37 704	
Anglo American Corporation of South Africa Limited	2 811		7 701	
Ordinary shareholders for dividend No. 14	3 107		3 107	
Provision for losses on a joint venture contract and in unquoted companies	—		2 700	
Bank overdraft (note 3)	—		2 881	
	7,210		55 180	
Net Current Assets (Liabilities)		(6,117)		4 938
		133 208		135 262
Long term loans (note 4)		—		5 036
Net tangible assets		133 208		130 226
Net premium on acquisition of subsidiary companies		—		35 556
		133 208		165 782
Deduct—				
Amount set aside for tax equalisation	—		1,485	
Minority interests in subsidiary companies	—		12,928	
				14 413
		133.208		151.369
Represented by—				
Capital				
Authorised				
20 000 000 ordinary shares of R1 each	20 000		20 000	
3 000 000 deferred shares of R1 each	3 000		3.000	
	23 000		23 000	
Issued and fully paid (note 5)				
17 755 056 ordinary shares of R1 each	17 755		17 755	
2 697 000 deferred shares of R1 each	2 697		2,697	
		20 452		20 452
Share Premium		104 027		104 327
Capital Reserve		—		2 053
Revenue Reserves		[illegible]		[illegible]
		133 208		151 369

NOTES

1. [illegible]

2. **Fixed Assets**

	Cost or Valuation	Aggregate depreciation and amounts written off	Book Value
Land, Buildings and Improvements	[illegible]	[illegible]	R13 915 000
Plant, machinery, motor vehicles and equipment	[illegible]	[illegible]	[illegible]
	[illegible]	[illegible]	[illegible]

[illegible]

3. **Current Assets**
Two subsidiary companies have ceded debtors of R215,000 and stocks of R2,037,000 to their bankers by way of charge as security for loan facilities.

4. The long-term loans are to subsidiaries of the Boart and Hard Metals Group throughout the world. They are principally for periods of five years or longer at varying interest rates mainly [illegible] to [illegible] above prime rate in the country concerned.

5. **Contingent liabilities and commitments**
There are contingent liabilities and commitments in respect of:—

		Corporation	Group
(a)	guarantees	R1,388,000	R11,343[illegible]
(b)	contract performance and maintenance guarantees	—	5,535[illegible]
(c)	capital expenditure	—	1,070[illegible]
(d)	undrawn loan facilities granted to companies in which the Group has an equity interest	65,000	137[illegible]
(e)	amounts uncalled on partly paid shares	—	30[illegible]

6. **Share Capital**
The unissued share capital is under the unrestricted control of the directors. The deferred "A" shares are not entitled to receive any dividends declared prior to 1st November, 1971.

Yours faithfully,
ALEX. AIKEN & CARTER
Chartered Accountants (S.A.)

ARTICLES OF ASSOCIATION

The Articles of Association of the Company contain provision, inter alia, to the following effect:

1. **Deferred Shares**
The following rights, privileges and restrictions shall apply to the deferred shares
(a) The deferred shares shall be issued from time to time in separate series each of which series shall be separately designated by a distinctive and consecutive letter of the alphabet, shall constitute a separate class and shall consist of such number of shares as shall from time to time in respect of each series be determined by the directors.
(b) The deferred shares shall not to the extent and in respect of the periods of time referred to in sub-paragraph (c) hereof be entitled to receive dividends, but such shares shall otherwise and in all other respects rank pari passu for all purposes with the ordinary shares.
(c) The deferred shares in each respective separately designated series shall not be entitled to receive dividends declared during such period of time as shall be determined by the directors (before the issue of each series) in respect of each issue of such respective series calculated from the respective date of issue of each such series and terminating not later than five years from such date of issue.
(d) Subsequent to the respective dates prior to which each of the separate series of deferred shares shall in accordance with sub-paragraph (c) hereof not be entitled to participate in the dividends declared, such shares shall rank for dividend purposes equally with the ordinary shares and each such respective series of deferred shares shall thereupon ipso facto become ordinary shares.
(e) Notwithstanding the provisions of sub-paragraphs (a), (b), (c) and (d) hereof, the directors may from time to time and at any time determine that any or all unissued deferred shares at that date designated by the directors shall not be subject to any limitation upon their right to receive dividends whereupon such shares so designated shall ipso facto become and shall upon the issue thereof be ordinary shares.

2. **Voting Rights**
Subject to any special terms as to voting upon which any share may be issued and subject to the [illegible] every person present and entitled to vote at any general meeting shall on a show of hands have one vote, but upon a poll such person shall have one vote for every share held or represented by him. On a poll *at any such meeting a person entitled to more than one vote need not if he votes, use all his votes, or cast* the votes he uses in the same way.

3. **Modification of Rights**
If at any time the capital by reason of the issue of preference shares or otherwise is divided into different classes of shares, all or any of the rights, privileges or conditions attached to any class may, subject to the provisions of the Statutes, be modified in any way or abrogated:
(a) *either with the consent in writing of the holders of at least three-fourths of the nominal amount of* the issued shares of that class, or
(b) with the sanction of a special resolution passed at a separate general meeting of the holders of the *shares of that class.* To every such separate general meeting all the provisions of the Articles of Association relating to general meetings of the Company shall mutatis mutandis apply except that the quorum shall be not less than three (3) persons holding or representing by proxy not less than one-third *of the nominal amount of the issued shares of that class*, but if at any adjourned meeting such quorum is not present the members present shall form a quorum.

4. **Directors' Shareholding Qualification**
[illegible]

5. **Remuneration**
[illegible]

6. **Borrowing Powers**
[illegible]

7. *Pensions, Allowances and Retirement of Directors*
[illegible]

CONTRACTS
[illegible]

GENERAL
[illegible]

'Local government needs cabinet of finance officers'

FINANCIAL TIMES REPORTER

A SMALL cabinet of "shrewd and able" finance officers should represent local government in its negotiations with central Government, Mr. Walter Baird, president of the Rating and Valuation Association, said yesterday.

"Could we not break down the all too artificial and wasteful barriers presented by the need to have all the local authority associations, as such, represented at discussions?", he asked, at the Association's annual conference at Brighton.

Green Paper

The Government's Green Paper on local government finance had offered the chance to influence decisions on the total of local government spending. A small cabinet, backed by a research team, could play an important consultative and advisory role, Mr. Baird argued.

He went on to describe the Government White Paper, Fair Deal for Housing, as "that reformers' delight and chief financial officers' nightmare." It would add burdens in cost and administration to local authorities, he thought.

Fair rents were those defined in the 1968 Rent Act and did "not mean reasonable rents in the eyes of the tenant or, for that matter, the local authority."

The definition excluded scarcity value, Mr. Baird said. "Now how far this can appear as a factor on council estates I am not sure, but long housing lists would offer evidence of a large excess of demand over supply. How such lists will collapse with the prospect of fair rents I would not like to guess, but it will have some effect, one would think."

Professor A. R. Ilersic, of London University, said talk of local rates causing "hardship" was largely "cant and drivel."

"When one takes into account that over half the householders in England and Wales are owner-occupiers, and that a further one-third of all householders live in subsidised municipal housing, any talk of hardship imposed by the local rate can only be regarded largely as cant and drivel.

"These constitute, as a group, the wealthiest members of the community and in some cases they are undoubtedly subsidised by the poorest ratepayers whose interests they profess to serve in criticising the local rate."

Professor Ilersic thought that with a proper revaluation in 1973 and an effective system of rates rebates for the lower income groups, the rate would generate even more revenue.

Value Added Tax

He looked to the allocation of a share of Value Added Tax proceeds direct to local authorities sufficient to enable the abandonment of the entire system of Exchequer block grants.

An independent Local Government Finance Commission, comprising independent members and representatives from central and local government, could be created to take responsibility for devising "a rational and equitable basis" for allocating the revenue between local authorities.

Scientists 'should stop feeling so guilty for industrial ills'

BY DAVID FISHLOCK, SCIENCE EDITOR

GROWING PUBLIC awareness of the deterioration of the environment, and waste of natural resources, could not be remedied by opting out, by emotional retreat or violence, Sir James Taylor, chairman of the Council of the Royal Society fo Arts, stated last night.

Sooner or later, people would have to accept the world as it was, and do what they could about it, said Sir James, speaking to the Society on "New Horizons in Research and Development."

Science and technology was being made the scapegoat for social and industrial ills, and held responsible "for producing our present industrially based society and the soulless mega-machines of large-scale industry."

It was time that the science and technology community stopped feeling so guilty, and said something in its own defence. The year 1851 was regarded by many as the peak of Britain's industrial achievement.

That year "the Thames presented probably the finest stretch of effluent in the world. There were pea-soup fogs and inversion layers; there were magnificent plumes of chimney effluents, and where there was brass, there was muck in profusion."

Complex mixture

Yet the Census that year listed 442 "scientific persons" in a population of about 18m. "Less than 500 persons, some would have us believe, created all that pollution," said Sir James.

The facts clearly established that those responsible for fashioning Britain's present industrial society were certainly not scientists. The "know-how" which developed industry was a complex mixture of arts, crafts and technology. Only in fairly recent times was it informed by science. The fact was that men had always been polluters. "The noble savage, who conserverd his environment, is a myth."

There was another side to that depressing picture, for the technics of man in agriculture, horticulture and architecture had transformed many natural habitats into pleasant places. "The countryside in Britain, which we are so desirous of conserving, is for the greater part man-made."

Affluence and quality alone would not solve society's problems, Sir James went on, although they were a vital part of the solution. Alone, however, they would not achieve happy people adjusted to their environment.

He proposed three steps by which scientists might make progress: First, to continue research and development in producing material affluence by innovation; secondly, to do research and development in order to guide innovation towards improving the quality of life, as well as towards affluence.

The third step he proposed was that scientists should study the reaction of systems—including social and industrial systems—when confronted with innovation, "with the object of developing dynamic systems which are tolerable and eventually fulfilling."

Innovation could be effective, Sir James concluded, only in the context of a favourable reaction from the system—such as an industrial workforce—confronted by it.

Mrs. Thatcher asked to lift ban on milk

MRS. MARGARET THATCHER, Secretary for Education and Science, has been asked to stop schools banning children taking milk with them.

Miss Joan Lestor, Labour MP for Eton and Slough, has told Mrs. Thatcher in a letter that she has received complaints from many parts of Britain saying that milk cannot be bought in primary schools and that pupils are stopped from bringing it to school.

"Since you explained quite clearly that milk would be available to be purchased in schools I would like to know what action you propose to take to honour that undertaking and if you will inform local education authorities that children are not to be prevented from bringing their own milk if their parents so wish," she asked the Minister.

Lloyd's U.S. warning on pollution

LLOYD'S, the London assurance organisation, has again pointed out to its U.S. customers that its cover on directors' and officers' liability insurance — involving damage caused by mismanagement or wrongdoing by a company's officers—has never involved prosecutions for oil pollution.

This particular policy, Lloyd's stresses, was introduced before the possibility of prosecution for pollution was envisaged and before legislation permitting prosecution in the U.S. came into force. "Insurers must take out separate policies providing cover against accidental pollution," a spokesman said.

Lloyd's is following the example of U.S. insurance companies. All make it clear that deliberate pollution risks cannot be covered.

PATENT GLAZING —NEW ADDRESS

The Patent Glazing Conference (including the Patent Glazing Development Council) moves on Friday to 13, Upper High Street, Epsom, Surrey (Epsom 29191).

The conference, the association of leading U.K. patent glazing specialists, remains under the directorship of Mr. A. L. Francis.

Early pension plan in Vauxhall labour cut

BY MICHAEL HAND, LABOUR CORRESPONDENT

VAUXHALL MOTORS is cutting its labour force *by* several hundreds at Luton and Dunstable by encouraging older workers to retire early with redundancy pay.

Earlier, Vauxhall had planned to cut the working week to four days temporarily but this proposal—which was opposed by the unions—has now been shelved.

The company said last night that this was because an intensive sales drive had enabled it to avoid cutting car production. But truck production at Dunstable is still having to be reduced because of the depressed state of the market, which is why the management is calling for *voluntary early retirements.*

British Leyland is also running into union opposition over plans *to close its export packing plant* at Cowley, where components for Austin-Morris overseas assembly plants are at present packed for shipment. The company says that in future this work will be carried out at source.

The closure date is being advanced to early next year so that 250 employees can be offered alternative work at the Cowley car assembly plant. There are to be further talks on the dispute between the company and the unions at national level in York next month.

8-9% pay deal for water Board staffs

By Our Labour Staff

SOME 10,000 white collar workers employed by water boards and companies will benefit under an 8-9 per cent. pay deal backdated to September 1.

Negotiated by the National and Local Government Officers Association, the deal is broadly in line with that of 350,000 local government white collar workers. NALGO had claimed 18 per cent.

Under the settlement the salary range goes up from £510-£3,924 to £567-£4,203.

Hundreds to lose jobs at Ransome Hoffmann

FINANCIAL TIMES REPORTER

HUNDREDS of workers employed in the general bearings division of Ransome Hoffmann Pollard, the U.K.'s largest bearing manufacturer, are to lose their jobs. An announcement about the scope and location of the redundancies *is expected within the next few* days.

The decision follows a marked *reduction in the home* demand for standard bearings and discussions about the dismissals are now taking place between union and management representatives.

The company says that while home demand for its general products has been low, *the specialist,* motor industry and overseas markets have been maintained.

Two of its major plants—at Chelmsford and Newark—are likely to be hardest hit by the cut-backs and although the company's Newcastle plant may also be affected, redundancies there should not be on the same scale, *as this works currently supplies* the healthier motor industry sector.

A spokesman commented: "A serious reduction in workload has been caused by this falling-off in demand at home, reflecting the general situation which exists in the U.K. engineering industry.

"As a result, a reduction in the *company's workforce has become* unavoidable." He could not give any indication of the numbers *involved but it is* expected to run into hundreds.

SCOTS TEACHERS

Mr. Gordon Campbell, Secretary for Scotland, has been urged by the 3,500-strong Scottish Schoolmasters Association to review the salary-negotiating machinery for teachers north of the Border.

The association says the present machinery is unfair both to teachers and to their employers

Jarrow dock dispute is settled

By Our Own Correspondent

SOUTH SHIELDS, Sept. 28.

THE DISPUTE which led to 130 ancillary workers staging a one-day token strike yesterday at the Mercantile dry dock, Jarrow, and also banning overtime, was settled to-day at talks between the management and Mr. Bill Porter, district organiser of the General and Municipal Workers' Union.

The men, who were back at work to-day, have protested that four of their number had been sacked yet contractors' men were still in the yard doing the same work.

Mr. Michael Pyman, managing director, to-night attributed the dispute to a "genuine misunderstanding." The yard now had another *ship for repair and* the four dismissed men were being re-engaged.

About 140 ancillary workers at the associated repair yards of Brigham and Cowan, South Shields, have banned overtime because of redundancies. It is expected that early talks will take place between the management and Mr. Porter *to try and settle* this issue.

Corfield invited to BAC Filton talks

By Roy Rogers, Labour Staff

MR. FREDERICK Corfield, Minister for Aerospace, has been invited to attend talks to be held *in Bristol to-morrow in a bid to* resolve the redundancy dispute which has halted work on several Concordes at the British Aircraft Corporation's works at Filton, near Bristol.

The invitation has come from Mr. Ron Nethercott, regional secretary of the Transport and General Workers' Union, who has also asked other local MPs to attend.

Mr. Nethercott said last night: "The future of Concorde and BAC itself are at stake. Something positive has to be done."

Mr. Wedgwood Benn, Labour MP for Bristol South East and former Minister of Technology, has already said he will attend Thursday's meeting. Mr. Corfield *is MP for nearby South Gloucester.*

Mr. Nethercott said he was delighted to hear from Mr. Benn *that Mr. Ferguson Smith,* BAC's chief executive, was cancelling a visit to Paris to-morrow and coming to Bristol instead.

Earlier, *Filton workers* walked out for the seventh time in the past few weeks, and decided to *maintain their overtime ban and* embargo on work for the first pre-production Concorde. They are expected to return this morning.

Several thousands of the plant's 8,000 workers met on a nearby sports field to hear a report on Monday's meeting between management and unions which ended in deadlock. They decided to set up a *hardship fund* and to maintain their sanctions as long as BAC refused to lift redundancy notices from some 460 Filton workers.

BAC is understood to be giving written notice to monthly staff to-day and to *weekly* and *hourly*-paid workers on Friday.

Lower rates on tax certificates

BY JUSTIN LONG

RATES of interest are to be reduced on *tax reserve certificates* —the certificates that can be purchased by companies and persons to provide for *future* tax payments.

The rates of interest—which are tax free—on both company and personal tax reserve certificates subscribed to from to-day willwill be 3½ per cent. a year on certificates tendered in payment of tax. This is instead of 4½ per cent. for companies and 4 per cent. for persons.

For company certificates surrendered for repayments in cash the rate of interest will be 2 per cent. a year, instead of 2½ per cent. The drop in interest rate on personal certificates is ½ per cent.

The Treasury explained that the rates were being decreased to bring them into line with the yields on comparable short-term securities. The last change in rates for company certificates was made in April when the interest was reduced by 1 per cent. *from* 5½ per cent. The interest rate on personal certificates had not previously been *changed since November, 1967,* when it was raised by ½ per cent. to 4 per cent.

The announcement of to-day's change points out that the rates of interest for personal and company *certificates* before September 29 will remain unchanged.

Labour anti-Marketeers to get pamphlet boost

BY ARTHUR SMITH

THE NEW STATESMAN, edited *by Mr.* Richard Crossman, on Friday published a 36-page document challenging the arguments in the Government's White Paper on entry to the Common Market.

Timed to appear on the eve of next week's Labour Party con*ference, the document should give* a boost to the party's anti-marketeers.

"More freedom"

Mr. Crossman said last night *that he thought the paper* would be well received within the party as a "serious and worthwhile contribution to the *Common* Market debate."

Its publication did not imply criticism of the National Executive *Committee's anti-Market* phamphlet, but he felt the New Statesman had greater freedom to state the case.

Debate had tended to focus on the terms of entry but "The Case Against Entry" gave a full statement of why *Britain should* remain outside the Community, Mr. Crossman said.

Drafted by Mr. Peter Shore, who, as head of the Labour Party research department, worked with Mr. Crossman on election manifestos, all the New States*man team, including* Dr. Thomas Balogh, contributed to the document.

It argues that "*our democracy* will be more effective, our *country* will be more secure, our *influence greater,* our economy stronger and our industries and people more prosperous" if Britain stays out of the EEC on the terms now "demanded."

A decision not to join would *enhance the security and pros*perity of both EFTA and the Commonwealth, would help world trade and expansion, and in no sense injure the interests of the Six.

On Britain's contribution to the *Community budget,* the document estimates that for the transitional period (1973-80) it will be £1,925m., compared with the Government's original proposals of £919m.

A heavy price would have to be paid for largely hypothetical gains: living standards would be depressed and employment threatened.

"*It would be sheer escapism and* an act of gross irresponsibility for the Government to enter the Common Market with this prospect in view, simply because there are problems of economic management which have not yet been solved or because in recent years our economic performance has been below our expectations."

U.S. group to buy V & G subsidiary for £800,000

BY MICHAEL BLANDEN

A FURTHER step in the sale of the assets of Vehicle and General Insurance was taken yesterday with the announcement of agreement by the ISI Corporation of *California to terms for the pur*chase of Life, Casualty and General Insurance.

ISI is to pay £800,000 for Life, Casualty, one of the life companies in the V & G Group.

It has already been announced that Slater Walker Securities is to buy Pioneer Life Assurance from the V & G liquidator for *£3.13m., subject to any debts* owing to Pioneer from V & G which are not repaid.

As a result, it is clear that the liquidator has realised significantly more from selling the V & G subsidiaries than was expected earlier.

In May, two months after the original collapse of V & G, the *official receiver put a value of* £2.1m. on the group's subsidiaries not in liquidation.

Mr. Alan Richards, senior vice-president of ISI who negotiated with the V and G liquidator, also announced that as *part of* the deal, Life, Casualty will acquire World-Wide Assurance, currently jointly owned by Life and Casualty of Nashville, Tennessee, and V and G.

Commenting on ISI's first venture into the U.K. market, Mr. Richards said: "We're all delighted with our purchase."

The new Board of LC and G will consist of Mr Hugh M. Gaywood, already a director and the general manager of the company, together with Mr. Alan Richards; Mr. Warren Van Genderen, ISI cor*poration president; Mr. Jerome C.* Eppler, chairman of the ISI Board; Mr. R. J. A. Unwin, and one other British member to be named.

Mr. G. B. Strakis, assistant general manager of LC and G, in charge of Reinsurance, remains as manager of World-Wide Assurance Company.

Tribunal hearing on Page 8

Britain ends talks with Six on institutions

By Reginald Dale

BRUSSELS, Sept. 28.

BRITAIN to-day virtually completed negotiations with the Six over U.K. participation in the European Community's *institutions* once it becomes a member.

The negotiators also noted with satisfaction that work *had begun* on drafting the Treaty of Accession, to provide the legal basis of British membership, *which is* due to be signed by the end of the year.

British *representation in the* Council of Ministers, the Commission and all the main Community institutions has *already been* settled.

At to-day's session of the entry talks at deputy level, agreement was recorded on voting procedures under the European Coal *and Steel Community Treaty,* and membership of ECSC and Euratom committees.

The U.K. delegation agreed that the Presidency of the Council of Ministers should rotate every six months among the 10-nation community, as it *does among the* present Six.

As the countries take turns according to the alphabetical order of their names (in their own language), the U.K. will be last on the list of the 10, and will not therefore assume the Presidency until the second half of 1977.

The pecking order in the enlarged Community, starting from January 1, 1973, will thus be as follows: Belgique/Belgie, Denmark, Deutschland, France, Ireland, Italy, Luxembourg, Nederland, Norge, U.K. The *number of vice-presidents of the* Brussels Commission will be increased from the present three to five.

All that now remains to be settled on the institutional side are arrangements concerning the *Community's Court of Justice* in Luxembourg, various organs, the European Investment Bank, details of the procedure for incorporating the candidate countries into the Commission and various other less important *committees.*

As far as the drafting of the Treaty of Accession is concerned, texts have now been established for articles already covered by earlier agreements on institutions, and a start is to be made this week on articles covering the free movement of goods.

Future sessions

Sir Con O'Neill, leader of the British team, to-day asked that progress of the drafting be assessed at each future negotiating session so as to ensure that *the treaty is ready* for signing in time.

Work has also started on establishing authenticated English texts of the whole corpus of the Community's secondary legislation. To-day, Sir Con stressed *that this was a major task* which should be dealt with as soon as possible.

WEST WITWATERSRAND AREAS LIMITED

(Incorporated in the Republic of South Africa)

Statement by the Chairman, Mr. A. Louw, on the Directors' Report and Accounts for the year ended 30th June, 1971

Dividend income for the past year rose to the record figure of R6.5 million due principally to increased dividend payments by West Driefontein, Libanon and Kloof. The consolidated earnings after tax were R6.1 million, equivalent to 57 cents per share: of this an amount of R4.8 million, equivalent to 45 cents per share, was distributed to shareholders, and an amount of R1.2 million, equivalent to 11 cents per share, was transferred to General Reserve.

In terms of the loan agreement with The Chase Manhattan Bank, an amount of R1.9 million, plus interest, was repaid during the year. A further amount of R2.1 million in respect of capital will be repaid during the current year.

At 30th June, 1971, the surplus in the market value of the Group's quoted investments over their book value was R110 million as compared with the surplus of R71 million on 30th June, 1970. It should be borne in mind, however, that in July, 1970, the East Driefontein Gold Mining Company had a rights issue and this company and its subsidiary companies followed up their investment in East Driefontein and subscribed for an additional 4,962,247 ordinary shares/combined units at an aggregate cost of R9.4 million.

Prospecting

Drilling results on the farm Deelkraal, lying to the south of the Doornfontein mine and on adjoining farms, were far from discouraging. Your company's subsidiary, Witwatersrand Deep Limited, continues to participate to the extent of 22½ per cent in the drilling on farm Buffelsdoorn by Western Ultra Deep Levels. Recent results in this area have confirmed the continuity of gold mineralisation already established under the Deelkraal farm. A feasibility study is being undertaken by our technical advisers with regard to the northern portion of the area.

Your wholly-owned subsidiary, Boskop Areas, has terminated its drilling programme in the Potchefstroom district. This action has been taken because the geological assessment now available is that no economic gold-bearing deposits underly the area. The mineral options in this region are now being abandoned.

General Review

The prevailing unsettled economic and monetary factors render short-term prediction of market movements more difficult than usual. For the longer term nothing that has so far happened has disturbed gold's position as the "common denominator" of currencies and the demand on the free market remains strong with a price well above last calendar year's average of $36.07 per fine ounce. Internationally the unilateral action of the United State's Treasury announced by President Nixon on Sunday, 15th August, 1971, in suspending the convertibility of the dollar into gold and other reserve assets, in demanding the revaluation of the stronger currencies in terms of the dollar, and the introduction of an import surcharge, have created a situation which must, for some time, interfere with international trade.

In any lasting solution to the present currency problems, gold will play an important role. The present crisis has arisen because countries with strong balances of payments have sought to convert substantial quantities of dollars into gold.

The United States, which proved unable to supply all comers with gold at $35 per ounce in 1968, and subsequently limited its sales to central banks alone, is now prepared to sell no gold at all.

The actions of the U.S. and other treasuries and central banks indicate that monetary gold is scarce and that they would like more of it. At $35 per ounce, there are willing buyers and no willing sellers. In these circumstances, any suggestion of lessening gold's role in the monetary system seems out of place.

I believe that countries will, in the future, still wish to hold substantial reserves of gold. The main components of reserves at present are gold, gold-guaranteed Special Drawing Rights, and dollars. Since dollars have become less attractive, and since no other countries wish their currencies to take on the former role of the dollar as a reserve asset, gold's importance seems to me to be strengthened by the present problems of the dollar.

For more than three years much of the gold produced by the gold mining industry has been sold at prices in excess of $35 per ounce (R804 per kilogram) and furthermore, for the past year, virtually the entire output has been disposed of on the free market at premium prices. The increased prices can be attributed to both the increasing industrial demand for gold and speculative purchases due to currency uncertainty. Ignoring the monetary and speculative aspects, I am confident that gold as a commodity will continue to increase in price at a rate in excess of that at which the cost of production will rise.

On the national front it is gratifying to note the efforts which have been made by the Government to promote an improvement in external relations and it is to be hoped that this new approach will be applied to the factors which affect the future economic well-being of the Republic.

The failure within the Republic to take adequate steps towards reducing the major cause of inflationary pressures is disappointing. It has been clearly stated by business leaders of every political persuasion that the continued restraint presently placed by the Government on the advancement of a large proportion of the population is leading to over-employment of the skilled members of the population. As a result the pressures on wages and prices have led to an unacceptably high rate of inflation despite the restrictive monetary and fiscal measures which have been applied with increasing severity in recent years.

The recent annual statement of the Governor of the South African Reserve Bank indicated the satisfaction of the authorities with the lower rate of increase in internal monetary demand during the first half of 1971. The favourable developments which he mentioned, taken together with the economic aspects still giving rise to concern have, however, not permitted any major move towards the relaxation of controls at present seriously inhibiting business confidence. I believe this continued restraint results from the acceptance of the premise by both the Governor and the Government that all the Republic's economic ills result from "the prevailing full employment conditions" and "a full employment situation". These terms quoted from the Governor's statement are indeed true but only when applied to skilled workers who are indeed strained beyond their capacity, mainly because of the limitations which continue to be enforced with regard to the employment of unskilled workers. It is recognised that certain advances are being achieved in isolated instances but even this progress is open to restriction and reversal at a moment's notice should any trade union complain about a breach of job reservation or of the "colour bar". Perhaps the most alarming feature of the delay in permitting and promoting the orderly advance of the entire available labour force is the time lag of, say, ten years which will elapse in most cases between the year when education and training of an individual is commenced and the year when that individual's full productive capacity is available to the economy.

Outlook

The enclosed circular details proposals for the acquisition of the undertaking other than its holding in this company of Gold Fields of South Africa Limited (G.F.S.A.) in consideration for 3,350,000 new shares in your company and for a rights issue to shareholders to raise approximately R20 million.

Since your company's inception in 1932, its fortunes have been almost wholly dependent on the discovery and exploitation of the gold mines of the West Wits line. In present circumstances, however, apart from a possible new mine in the Deelkraal area, there is little prospect that further gold-bearing areas of any significant extent will be disclosed within, or in the vicinity of, your company's mineral right holdings.

Dividend income from your company's gold mining investments can be expected to increase for several years in line with projected increases in aggregate gold production from these mines and in line with expected increases in the average price of gold. Ultimately, however, income from these investments will decline and it is essential that new opportunities be sought in sectors other than the West Wits line.

Current economic trends and the known potential of South Africa's mineral resources suggest that base metal and mineral mining and the processing thereof will show one of the greatest growth rates of all sectors of the economy. If this view is correct, and I believe it is, then the best opportunity for the extension of the interests of a gold mining-finance company such as yours, should flow from exploration and investment in this field.

The acquisition of G.F.S.A.'s undertaking would provide an immediate and substantial increase in your company's interest in this sector. Of more importance, your company would acquire access to and control of new ventures which it is hoped will arise from the existing base metal and mineral exploration activities of G.F.S.A. Control would also be acquired over existing property and industrial companies, while your company's investments would be increased further by G.F.S.A.'s general investment portfolio. The acceptance of these proposals will transform your company into a major South African-controlled mining house with assets in excess of R200 million and thus provide it with a unique opportunity to ensure the continuity of its activities in the long-term future.

Your company will assume responsibility for the management of the Gold Fields group of companies in Southern Africa although it will not be a subsidiary of Consolidated Gold Fields. It is proposed that your company's name shall be changed to "Gold Fields of South Africa Limited".

Subject to there being no major deviation from the expected average gold price for the current year, I am confident that the dividend for the year will be maintained at 45 cents. Our medium-term projections indicate a rising dividend pattern which is to a large extent dependent upon the future movements in the gold price.

Staff

I have much pleasure in recording on behalf of the Board, our sincere appreciation of the services rendered by Dr. A. H. Taute, our Consulting Engineer, of Mr. A. A. Truter, our Consulting Geologist, and of the staff of Gold Fields of South Africa.

Johannesburg

9th September, 1971

Abridged Circular to Shareholders

Proposed acquisition of the undertaking of Gold Fields of South Africa Limited and Rights Issue to raise approximately R20 million

Dear Sir (or Madam),

In a press announcement on 7th June, 1971, shareholders were informed that negotiations were proceeding with the object of merging the activities of Gold Fields of South Africa Limited ("G.F.S.A."), the wholly-owned subsidiary of Consolidated Gold Fields Limited ("C.G.F."), with those of West Witwatersrand Areas Limited ("West Wits") with effect from 1st July, 1971. In this regard a provisional agreement dated 23rd September, 1971, has been entered into between G.F.S.A., Westwits Investments Limited, C.G.F. and West Wits. This agreement is subject to the approval of the shareholders of West Wits and provides that West Wits (through its wholly-owned subsidiary Westwits Investments Limited) will acquire the undertaking (excluding shares held in West Wits) of G.F.S.A. with retrospective effect from 1st July, 1971, in consideration for the issue to that company of 3,350,000 new registered shares of 25 cents each, credited as fully paid, in West Wits. These shares will not qualify for the proposed rights issue referred to below, but will, when allotted, rank *pari passu* with the then existing issued shares.

Messrs. Peat, Marwick, Mitchell & Co., Chartered Accountants (S.A.), have been appointed independent accountants to the scheme, and have stated in their report, that in their opinion the terms proposed are fair and reasonable to both companies.

It is a condition of the provisional agreement that a rights issue is made by West Wits and underwritten by C.G.F., before the end of June, 1972, to raise approximately R20 million. These funds are required to finance in part the enlarged West Wits' requirements in respect of:

(a) The additional capital required to bring the East Driefontein gold mine to the stage where its own earnings will be adequate to finance capital expenditure still to be incurred;

(b) The possible establishment of a new gold mine in the Deelkraal area of the West Wits Line;

(c) The possible establishment of new base-mineral mining projects which may be expected to arise from the extensive exploration programme initiated by G.F.S.A.;

(d) The repayment in August, 1972, of the final instalment of R3.9 million in respect of the dollar loan from The Chase Manhattan Bank; and

(e) The provision of additional working capital both for West Wits' own requirements and those of industrial, property and mining projects in which interests will be acquired from G.F.S.A.

It is intended that the rights issue should be made in November, 1971. If the rights issue is not made until June, 1972, your directors consider that West Wits' present cash resources would provide adequate working capital to meet its immediate financial requirements until the rights issue is made.

Principal Advantages of the Scheme to West Wits

Since its incorporation in 1932 West Wits' fortunes have been primarily dependent on the exploitation of the gold-bearing horizons of the Witwatersrand System underlying its mineral right holdings on the West Wits Line. The company's investments thus remain predominantly associated with gold production, with only minor interests in a fluorspar mining company, a base metal holding company and a property company.

The Technical Advisers of West Wits are of the opinion that apart from the possible establishment of a new mine in the Deelkraal area and the possible demarcation of minor extensions to existing mining lease areas on the West Wits Line, there is little prospect in the absence of a major increase in the present price of gold of the remaining mineral right holdings of West Wits disclosing further payable gold-bearing areas. Accordingly, West Wits' continued profitable existence and expansion is dependent in the long term on the location and development of new ventures in sectors other than the West Wits Line.

It is expected that total gold production from the mines on the West Wits Line will continue to increase for several years since projected output from the newer mines should more than offset declines in output from the older mines. Dividend income from this source will also continue to grow for several years, provided increases in costs as a result of inflation do not exceed increased revenue from higher production and the premium which is expected to be derived from sales of gold on the free market.

Your directors are of the opinion that base metal and mineral production will be one of the major growth sectors of the South African economy in the foreseeable future and that the best opportunities for expanding the interests of West Wits should flow from exploration for base metals and minerals and from investment in mining and related beneficiation activities. The acquisition of the assets and undertaking of G.F.S.A. would provide an immediate entry into the base metal and mineral field.

West Wits would acquire, directly or indirectly, access to and control of extensive new ventures which are expected to arise from the existing base metal and mineral exploration activities of G.F.S.A. In addition, West Wits would acquire control of industrial and property companies and its investments would be further increased by the acquisition of G.F.S.A.'s general investment portfolio.

If the scheme is implemented, West Wits would have a net asset value of approximately R225 million thus becoming a unit of great strength, with a wide spread of interests and with responsibility for the promotion, financing and administration of the activities of the Gold Fields Group in Southern Africa. The scale and complexity of modern mining and metallurgical projects demand large financial resources and advanced technology. The enlarged West Wits would be significantly better equipped, as a result of the implementation of the scheme, to undertake major projects and to retain large interests therein.

In terms of the provisional agreement, and in order to preserve the historical connection with the Gold Fields Group, West Wits will change its name to "Gold Fields of South Africa Limited." In addition, to facilitate the carrying out of the objects of the proposed scheme, it is desirable that West Wits should not be a subsidiary of a foreign company and, thereby, become subject to the restrictions placed on non-South African controlled companies, particularly in regard to participation in certain key industries. Therefore, in view of its existing 42 per cent interest in West Wits, which would be substantially increased by the merger, C.G.F. has advised West Wits that it is arranging to place with South African institutions and investors part of its entitlement in the proposed rights issue. The new G.F.S.A. would continue to be a member of the Gold Fields Group and this association could be expected to facilitate access to overseas finance should this be required.

Information regarding G.F.S.A.

G.F.S.A., which is at present a wholly-owned subsidiary of C.G.F., has since 1959 been responsible for the management of the interests of the Gold Fields Group in Southern Africa. It provides managerial and technical services to a large number of mining, investment, finance and industrial companies. On 30th June, 1971, the companies managed by G.F.S.A. had an estimated value in the order of R750 million. These companies embrace 8 gold mines, 7 other mines producing coal, diamonds, fluorspar, lead, phosphate, tin, vanadium, wolfram and zinc, a company operating an electrolytic zinc refinery, a group of property companies and a group of engineering companies. During the year ended 30th June, 1971, the total turnover of these companies exceeded R210 million and their total net profit after tax amounted to R56 million.

G.F.S.A. owns and holds under option mineral rights over areas totalling 314,046 hectares and is conducting an extensive exploration programme in many parts of Southern Africa. Potential economic deposits of chromite, fluorspar and magnesite have already been located.

G.F.S.A.'s principal base metal holding company is Vogelstruisbult Metal Holdings Limited in which G.F.S.A. has an interest, direct and indirect, of 54 per cent of the issued capital. Amongst the Vogelstruisbult company's broadly based and expanding interests is Zinc Corporation of South Africa Limited which was established by G.F.S.A. in association with the South African Iron and Steel Corporation Limited.

In the property field G.F.S.A. controls New Durban Gold and Industrials Limited, which company has embarked on a R20 million residential development scheme in Durban and which also has substantial land holdings on the eastern, central and western Witwatersrand.

In the industrial field G.F.S.A. also has substantial interests in companies engaged in the engineering industry, in the manufacture of aluminium electrical conductors, industrial rubber products, diamond drill crowns and the provision of shaft sinking and tunnelling services for the civil engineering and mining industries.

The total group net assets to be acquired from G.F.S.A., and having a book value of R28.4 million at 30th June, 1971, were valued at R45.4 million for the purpose of calculating the number of West Wits shares to be issued in terms of the provisional agreement.

The directors of G.F.S.A. have advised West Wits that there has been no change, other than in the ordinary course of business, in the financial and trading position of G.F.S.A. since 30th June, 1971, the date to which the last accounts were made up.

Forecast of Earnings and Dividends

On the basis of recent experience in regard to the free market price for gold and on the trend of cost inflation, and subject to there being no unforeseen changes in the trading conditions applicable to their other activities, it is estimated that earnings after tax of the new G.F.S.A. Group for the year ending 30th June, 1972, following the implementation of the proposed scheme, should amount to R9,705,000, compared with R6,084,000 by West Wits and R3,576,000 from the assets of G.F.S.A. to be acquired, in respect of the year ended 30th June, 1971. Subject further to the final determination of the terms of the proposed rights issue to raise approximately R20 million, this projection indicates that earnings per share, on the share capital as increased, including the shares to be issued to G.F.S.A., should be in the order of 60 cents per share, compared with 56 cents per share in respect of the year ended 30th June, 1971. In the event of this forecast being realised it will be your directors' intention to declare dividends totalling 45 cents per share in respect of the year ending 30th June, 1972, the same as paid in respect of the year ended 30th June, 1971.

Directors' Recommendations

Your directors are unanimously of the opinion that the acquisition of the undertaking of G.F.S.A. should provide West Wits with the means to a more assured and rapid degree of growth than would be available from its own existing assets alone. They are satisfied that the terms proposed are fair and reasonable and recommend that the implementation of the scheme be approved by shareholders.

Your directors accordingly recommend:

(a) That the authorised capital of the company be increased from R2,937,500 in 11,750,000 shares of 25 cents each to R4,187,500 in 16,750,000 shares of 25 cents each.

(b) That the provisional agreement dated 23rd September, 1971, between G.F.S.A., Westwits Investments Limited, C.G.F. and West Wits in connection with the acquisition of the undertaking of G.F.S.A. be confirmed and that the acquisition be satisfied by the issue of 3,350,000 shares of 25 cents each, credited as fully paid, in West Wits.

(c) That approximately R20 million be raised by means of a rights issue to shareholders to provide funds for the purposes detailed above.

(d) That the name of the company be changed to "Gold Fields of South Africa Limited".

(e) That in view of the wider range of interests of the company following the implementation of the proposed scheme the maximum number of directors should be increased to 15. In terms of the existing article each director received R2,773 and the Chairman received R5,546 by way of fees in respect of the year ended 30th June, 1971. These fees have remained unchanged since 1965 and it is now recommended that they be increased to R3,000 per annum per director and to R6,000 per annum in respect of the Chairman.

Proposed Increase of Capital

The present authorised capital of West Wits is R2,937,500 in 11,750,000 shares of 25 cents each, of which 10,717,898 shares have been issued and are fully paid. It is proposed that the authorised capital of West Wits be increased to R4,187,500 in 16,750,000 shares of 25 cents each by the creation of an additional 5,000,000 shares to provide for:

(a) the 3,350,000 shares to be issued to G.F.S.A.;

(b) the rights issue to shareholders to raise approximately R20 million; and

(c) an adequate number of shares in reserve to permit advantage to be taken of new investment prospects which may arise.

All the new shares which it is proposed to issue will, when allotted, rank *pari passu* with the existing issued shares of West Wits except that the 3,350,000 shares to be issued to G.F.S.A. will not qualify for the rights issue referred to in (b) above.

The directors undertake that without the prior approval of shareholders in general meeting, no part of the unissued capital will be issued in such manner as to affect materially the control of West Wits or to lead to a radical change in the nature of its business, other than the change which will flow from the acquisition of the undertaking of G.F.S.A.

Extraordinary General Meeting

As a necessary preliminary to the implementation of the scheme outlined, an Extraordinary General Meeting will be held (immediately after the Annual General Meeting) on 21st October, 1971.

Directorate

Subject to the implementation of the proposals outlined previously in this circular, it is the intention that the Board of Directors of the new G.F.S.A. should be constituted as follows:

A. Louw (Chairman)

L. G. Abrahamse	Dr. W. J. Busschau
G. C. Fletcher, M.C.	A. M. D. Gnodde
R. A. Hope	J. D. McCall
Dr. T. F. Muller	T. A. Murray
J. C. Pijper	R. A. Plumbridge
M. E. Rich	Dr. A. H. Taute
J. C. Williams, O.B.E.	Dr. J. B. de K. Wilmot

None of the directors of West Wits has a service agreement with the company but certain of the above directors have service agreements with the G.F.S.A. with a remaining duration of more than twelve months. None of the agreements provides for the payment of commission. Subject to the implementation of the proposed scheme, the directors in question have undertaken to cede their service agreements to Westwits Investments Limited (a wholly-owned subsidiary of West Wits). These agreements are not terminable without compensation before the dates shown below:

A. Louw	31st December, 1972
R. A. Plumbridge	30th June, 1973
A. M. D. Gnodde	30th June, 1973
A. H. Taute	30th June, 1973
J. C. Williams	30th June, 1973

Copies of the abovementioned agreements are available for inspection at the Head Office of West Wits, Gold Fields Building, 75, Fox Street, Johannesburg, and at its London Office, 49, Moorgate, London, E.C.2.

The following tabulation gives details of the remuneration of the directors of West Wits and G.F.S.A. for the year to 30th June, 1971, and the estimated remuneration of the directors of the new G.F.S.A. for the year ending 30th June, 1972:

	Remuneration for year ended 30th June, 1971		*Estimated remuneration for year ending 30th June, 1972*
	West Wits	G.F.S.A.	New G.F.S.A.
	R	R	R
Fees	30,500	28,000	38,098
Executive remuneration	—	363,000	350,000
	30,500	391,000	388,098

Statements by the Directors of West Wits and G.F.S.A.

(a) In terms of the provisional agreement, Westwits Investments Limited has undertaken to offer employment to the existing staff of G.F.S.A. on the same terms as those applicable to their existing contracts of employment with G.F.S.A. In particular, their pension rights will not be prejudiced by the implementation of the scheme.

(b) The directors of West Wits and G.F.S.A. respectively accept, individually and collectively, responsibility for all statements of fact and opinion in this circular and the Appendix thereto which relate to West Wits and its subsidiaries and G.F.S.A. and its subsidiaries, as the case may be.

(c) The directors of West Wits and G.F.S.A. respectively confirm that to the best of their knowledge and belief no material fact has been omitted from this circular or the Appendix thereto in respect of West Wits and its subsidiaries or G.F.S.A. and its subsidiaries, as the case may be.

Change of name

Provided that the scheme is implemented arrangements will be made in due course for new certificates bearing the company's new name to be exchanged for existing share certificates. Full details of these arrangements will be advised to shareholders in a further circular which is expected to be posted to shareholders on 28th October, 1971.

Record Date and Closing Date

The proposed rights issue will be made to shareholders registered in the books of the company at the close of business on Friday, 29th October, 1971.

It is expected that:

(a) Subject to the necessary resolutions being passed, the circular to be posted on 28th October, 1971, referred to above will also give details of the number of shares to be offered, the ratio and the issue price.

(b) Renounceable Letters of Allocation will be posted from the Johannesburg Office of the company and from the office of the company's United Kingdom Registrar, as appropriate, on 5th November, 1971, to shareholders in respect of their holdings on the record date.

(c) The offer will close on Friday, 26th November, 1971.

Underwriting

Arrangements are being made for the proposed rights issue to be underwritten by Consolidated Gold Fields Limited.

South African Exchange Control

Blocked Rand

The company has been advised by the South African Exchange Control Authorities that non-residents of the Republic of South Africa may utilise blocked Rand arising from the sale of securities in the Republic to:

(i) Subscribe for the new shares to be offered in respect of their existing shareholdings at the record date in the company.

(ii) Purchase the renounceable Letters of Allocation (nil paid) after these are actually listed on The Johannesburg Stock Exchange but blocked Rand may not be utilised in paying up nil paid Letters of Allocation so purchased.

(iii) Purchase the new shares to be issued by the company after these are actually listed on The Johannesburg Stock Exchange.

Listing and Quotation of New Shares

Application will be made to The Johannesburg Stock Exchange for a primary listing of and to the Council of The Stock Exchange, London, for permission to deal in and for quotation for the shares to be issued to G.F.S.A. and to the shareholders of West Wits.

Interchangeability

There will be no period for renunciation of fully paid issue documents and no interchange of issue documents between Johannesburg and London and *vice versa*.

Yours faithfully,

A. LOUW

Chairman

Head and Registered Office:
Gold Fields Building
75, Fox Street
(P.O. Box 1167)
Johannesburg
28th September, 1971

London Office:
49, Moorgate
London EC2R 6BQ

Copies of the full circular which includes the Appendix, the Reports of the respective accountants and the Notice of Extraordinary General Meeting are available on application to the London Office of the Company or the office of the company's United Kingdom Registrar, Lloyds Bank Limited, Registrar's Department, The Causeway, Goring-by-Sea, Worthing, Sussex.

A Member of the Gold Fields Group

WALL STREET + OVERSEAS MARKETS

Firmer appearance on bargain hunting

BY OUR WALL STREET CORRESPONDENT

NEW YORK, Sept. 28.

SOME BARGAIN HUNTING gave Wall Street a firmer appearance to-day, despite the uncertanties about the Administration's future economic plans after the wage price freeze ends in November.

The Dow Jones Industrial Average finished 0.95 up at $884.42, after $887.12, while the NYSE All Common Index regained 12 cents to $54.08. Volume expanded 1.07m. shares to 11.25m. while gains led losses by 690-to-640.

The Stock Market also had to *contend with the International* Monetary Fund meeting in Washington, and demands by foreign nations that the U.S. Import Tax Surcharge be repealed.

Analysts said the advance was *primarily technical and a con-*tinuation of yesterday's late session firmness, especially in the "Glamour" group.

A positive factor according to analysts, was that the list tested but did not break through its technical resistance level of $880.00 on the Dow Jones Industrial Average, giving traders a spychological boost.

Some Blue Chips displayed strength. Jersey Standard recovered $1¾ to $69⅞. Eastman Kodak advanced $1¼ to $85⅞, Dupont *gained $½ to $153 and* American Brands pushed ahead $¾ to $42¼.

But Blue Chips generally underperformed the rest of the list as early morning strong leads faded into small gains in some issues: and issues on the downside took even more of a beating towards the close.

Woolworth, down $2¼ to $60¼, *helped drag the Industrial indi*cator down. Procter and Gamble also took a loss of $1¼ to $71¼, Westinghouse dipped $¾ to $94⅜, *United Aircraft slipped $⅞ to $30⅛*, while Swift, Union Carbide and General Foods each closed fractionally lower.

Among Computers. Control Data. one of the most active issues, dropped $2¼ to $47⅞—it was considering additional equity financing later this year.

Burroughs recovered $2½ to $132⅞ but Honeywell eased $¼ to $106⅛.

IBM finished $⅞ up at $304¼, after climbing more than $3 in early trading. Memorex lost $1¼ to $32¼, and Sperry Rand, an active issue, fell $1⅞ to $25⅜.

International Oils dominated the *trading activity*, capturing three spots on the active list. Royal Dutch topped the active list and rose $¼ to $37⅞, with 296,300 shares changing, while Gulf Oil were unchanged at $27 after 223,100 shares. Also active Occidental Petroleum gained $⅞ to $15¼. Shell Oil slipped $⅛ to $44¼.

Prices on the American SE *closed on a slight upward note*, with the Index rising 3 cents to $25.31 in a volume of 3.02m. (2.49m.) shares. Advances and declines finished about level at 399 to 401.

Canada sharply lower

Canadian Stock Markets were sharply lower in moderately active trading yesterday. The Industrial Index fell 2.11 to a new yearly low, Banks dropped 4.03, Papers gave way 1.44, Base *Metals declined 1.34 to the lowest* since December, 1965. Utilities dipped 1.25, Western Oils shed 0.99 and Golds eased 0.94.

Market analysts attributed the decline to uncertainty over the long-range effects of President Nixon's economic programme on Canadian industry.

Genstar fell $3 to $10¼. Hudson's Bay *dropped $1 to $17¼* and Dominion Bridge shed $1 to $22¼.

OTHER MARKETS

PARIS—Prices firmed, en*couraged by guarded optimism* about the monetary talks in Washington.

Most sectors were higher, apart *from easier Chemicals and hesi*tant Metallurgicals. In Motors and Rubbers, Hutchinson and Michelin were each higher. CGE were unchanged, despite reports of a tentative agreement with EDF over the Bugey nuclear contract.

Foreign stocks also were firm, with the exception of Mining shares and Belgians,

BRUSSELS—Market was lower in moderate trading. Société Générale. Petrofina. Cie Lambert, Union Minière. Katanga. Solvay and ACEC each lost ground.

In a generally lower Foreign sector, Germans firmed and French issues were maintained.

GERMANY—Markets were firm, but closed below the best on profit-taking following the current monetary uncertainties.

Leading Chemicals were barely maintained. In leading Banks, Commerzbank rose DM2 and Dresdner Bank put on DM2.5, but Deutsche Bank shed DM1.4. Motors moved generally higher.

In Bonds. Public issues were *mixed. Foreign Mark Loans* were barely maintained.

MILAN—Mainly easier in less active trading. Some interest spread to minor issues such as Ossigeno, Caffaro, Pozzi and Interbanca.

Fiat partially recovered in late dealings to close Lire 15 lower. But Bastogi gained Lire 55 to 2,055 ahead of the meeting. Italpi, *SGES and SES also closed higher.* Bonds were quietly steady.

SWITZERLAND — Markets *turned irregular after a barely* steady opening as selective buying interest revived. Overall volume, however, remained fairly limited.

Gainers included Swissair Registered, Alusuisse Bearer, Sulzer Participation Certificates. Sandoz and Roco. *BBC. Rueckversicherung and Versicherung Winterthur* were each lower.

Leading Banks advanced, led by Bankverein.

Dollar stocks tended generally easier in dull trading. NCR, however, declined sharply. In otherwise easier Dutch Internationals, AKZO were maintained. German stocks closed very steady.

AMSTERDAM — Internationals closed mixed, with Wall Street's overnight easiness dampening sentiment. Philips advanced Fls.1.4 but Royal Dutch fell Fls.3.8.

Local Industrials rose over a *broad front led by OCE-Van der* Grinten which advanced Fls.6. Banks staged a sharp rally on the announced cuts in savings deposit rates. Algemene Bank Nederland were lifted Fls.9.

State Loans rose across the Board.

OSLO—Industrials were easier, Bankings were well maintained *and Shippings were moderately* higher.

COPENHAGEN — Mixed. with firmer undertone.

VIENNA—Generally firmer in a narrow market.

STOCKHOLM—Irregular trend.

TOKYO—The market moved sharply higher in fairly active trading—200m. (100m.) shares—*on selective interest mainly in* "low-priced" issues. Securities firms increased activity on year-end "book closing."

Leisure related issues were in good demand. Department Stores were firm, with Mitsukoshi up *Yen 7 at 403, Tokyu Department*, up Yen 12 at 200 and Takashimaya, up Yen 11 at 204.

Electricals were also higher. Matsushita Electric rose Yen 11 to 431. Sony Yen 78 to 3,000, T. D. K. Electronics Yen 20 to 440 and *Pioneer* Yen 24 to 697.

Constructions were also in good demand, with Taisei Construction closing at Yen 247, up Yen 6, Sato Kogyo at Yen 355, up Yen 19, Maeda Construction at Yen 864, up Yen 24 and Okumuragumi at *Yen 734, up Yen 24.*

Oils gained ground on selective interest, with Showa Oil closing at Yen 235, up Yen 6, Matsubishi *Oil at Yen 118, up Yen 6 and* Daikyo Oil at Yen 133, up Yen 4.

AUSTRALIA — Mining shares again came under strong selling pressure. especially "heavyweights." Oils weakened as trading progressed, while Industrials were variable.

Bougainville lost 10 cents to $2.40 and Hamersley dipped 15 cents to $2.62.

Peko Wallsend lost 36 cents to $7.14 but Utah were firm at $2.40.

Poseidon weakened 60 cents to its year-low mark of $17. *Pan-continental fell 13 cents to 70* cents.

Conwest opened at a year-low of 26 cents, but closed at 28 cents for a net 2 cent loss. Other "speculatives" to lose ground included Tasminex, 4 cents *lower at 44 cents and Karangi, off* 1 cent at 15 cents.

Pacific Copper shed 12 cents to $1.48, Selcast lost 5 cents to $1.45 and Kathleen Investments moved back 5 cents to $3.

Whim Creek were 30 cents lower at $3.90, after $3.80. Great Boulder eased 5 cents to $1.35 and Broken Hill South declined 10 cents to $2.32.

In Oils, Santos dipped 5 cents to $3.40 despite the gas flow report. Bridge lost 2 cents to 33 cents, while consortium member *Vamgas sold firm at 27 cents.*

JOHANNESBURG — Easier on general lack of interest. After a steady opening, Golds shaded following the cessation of small New York inquiry. Local buying was minimal and the sector drifted *lower on neglect.*

De Beers eased in fairly active trading, while Platinums were off the bottom but remained lower on balance. Coppers were untested. Financial Minings closed steady at the lower levels.

Banks were little changed, as were Collieries in dull dealings. Industrials were easier.

Indices

NEW YORK

DOW JONES AVERAGES

Close	Home Bonds	Transport †	Indus. *	Util. Φ	Trading volume 000's
Sept. 28 ...	71.06	235.01	884.42	109.38	11,250
27 ...	70.99	234.77	883.47	109.16	10,220
24 ...	70.95	237.01	889.31	109.50	15,460
23 ...	70.99	236.71	891.28	109.69	15,250
22 ...	70.98	239.91	893.56	109.89	14,350
21 ...	71.02	241.12	903.40	110.73	10,640
20 ...	71.28	241.66	905.15	110.94	9,540
17 ...	71.23	242.62	908.22	111.32	11,020
16 ...	71.21	241.62	905.11	111.00	11,080
1971 High	71.98 (6/4)	248.33 (7/9)	950.82 (28/4)	128.59 (19/1)	—
Low	68.52 (4/1)	169.70 (4/1)	830.57 (4/1)	109.16 (27/9)	—

* All-time high 995.15 (9/2/66)
‡ All-time high 279.88 (7/2/69)
Φ All-time high 163.22 (20/4/65)
† Excluding bonds.

IND. DIVIDEND YIELD p.c.

Sept. 24	Sept. 17	Sept. 18 1970
3.55	3.47	4.24

N.Y. SE ALL COMMON INDEX

Dec. 31, 1965=50

1971 High	1971 Low	Tues.	Mon.	Fri.	Thurs.	Wed.
57.76 (28/4)	49.75 (4/1)	54.08	53.96	54.26	54.37	54.42

RISES AND FALLS

Issues traded	Up	Down	Unchanged
1,683	690	640	353

1970/71	Tues.	Mon.	Fri.	Thurs.	Wed.
New Highs	3	8	17	11	20
.. Lows	51	68	57	64	59

AMERICAN SE ALL STOCKS AVERAGE

1971 High	1971 Low	Tues.	Mon.	Fri.	Thurs.	Wed.
26.69 (28/4)	22.72 (4/1)	25.31	25.28	25.35	25.32	25.34
Volume (000's)		3.030	2.490	2.900	3.090	3.410

STOCK AND BOND YIELDS STANDARD AND POORS

	*Industrials	†Composite
Sept. 28	108.23	97.89
" 27	107.59	97.62
.. 24	108.51	98.15
.. 23	108.74	98.38
.. 22	106.85	98.47
.. 21	109.50	99.34
.. 20	110.16	99.65
1971 High	115.84 (28/4)	104.77 (28/4)
1971 Low	99.73 (4/1)	81.15 (4/1)

* 425 Industrials. † 425 Industrials. 50 Utilities and 25 Rails. (1941=10.)

U.S. STOCK INDICES

	Sept. 22	Sept. 15	Sept. 23 1970
Industrial div yield pc	2.89	2.86	3.60
Price-earning ratio	17.57	17.82	15.60
Long-term Govt. Bds. yields pc	5.66	5.57	6.63

MOST ACTIVE STOCKS

	Shares traded	Closing price	Change on day
Royal Dutch	296,300	37⅞	+¼
Gulf Oil	223,100	27	—
Loews	149,300	49⅛	−1⅛
El. Pas. Nat. Gas	147,600	17⅛	—
RCA	172,200	36⅛	+¼
Occidental Petrolm.	158,900	15⅛	+⅞
Amer. Tel. and Tel.	105,600	42⅛	+¼
Tex. Eeast T.	103,700	40⅛	−⅛
Control Data	95,400	47⅞	−2¼
Sperry Rand	90,000	25⅜	−1⅞

TORONTO

INDUSTRIAL INDEX

Sept. 28	Sept. 27	1971 High	1971 Low
169.19	171.30	188.74 (2/1)	169.19 (28/9)

MONTREAL

INDUSTRIAL INDEX

Sept. 28	Sept. 27	1971 High	1971 Low
175.43	176.69	188.59 (20/4)	175.43 (28/9)

COMBINED INDEX

174.19	175.72	191.05 (20/4)	172.85 (22/2)

JOHANNESBURG

	Sept. 28	Sept. 27	High	Low
Industrials	174.0	175.5	212.4 (19/4)	165.5 (5/1)
Golds	71.5	72.1	89.0 (19/4)	70.2 (1/9)

(1958=100.) Source: Rand Daily Mail.

AUSTRALIA

MELBOURNE YIELD INDICES

Av'ge yield on 50 Leading Stocks	Sept. 25	Sept. 18	Sept. 9
On Dividends	5.76	5.75	5.69
On Earnings	9.71	9.59	9.74

SYDNEY ALL ORD. INDEX

Sept. 28	Sept. 27	High 1971	Low 1971
439.25	441.82	518.51 (4/1)	439.25 (28/9)

TOKYO

NEW SE INDEX

Base=100 January 4, 1968.

Sept. 28	+ or −	Div. %	Yield %
181.33	+3.05	11.90	3.37
1971		High 208.19 (13/8)	Low 148.83 (5/1)

EUROPE

	Sept. 22	Previous	1971 High	1971 Low
Belg'm (m)	95.44	97.02	106.74 (30/7)	92.14 (4/1)
France (bb)	70.4	69.7	79.2 (28/7)	69.7 (27/9)
Germany *	96.81	96.61	112.71 (23/2)	95.84 (21/9)
Holland (o)	106.4	106.0	128.0 (8/4)	100.7 (25/4)
Italy ‡	45.23	45.73	60.09 (5/5)	45.23 (28/9)
Sweden (p)	271.66	271.39	282.71 (25/6)	240.71 (5/1)
Switz'rl'd **	378.5	376.1	412.9 (10/3)	353.5 (4/1)

* Herstatt Index. ‡ Base amended to January 2, 1962. from December, 1950. ** Swiss Bank Corporation Index base 100 December, 1968. (b) Basis 100 December 29. 1967. (c) Closed. (m) Base date amended from 1953 to 1963. (o) Adjusted now quoted on basis 1963=100 and no longer 1953=100. (p) Base date December 29. 1958. (bb) New index introduced by Paris Bourse Committee basis 1961=100.

MONEY + EXCHANGES

Further large help

Bank Rate 5% (Sept. 2, 1971)

Credit was again in short supply in the Discount market yesterday, and the authorities gave an *amount of help* described as "very large indeed," mainly by purchases of Treasury bills from banks and Discount houses, but partly by purchases of local authority bills from the houses. Gilt-edged settlements were the *principal factor in the shortage.*

A rate of 4¾ per cent. to 5 per cent. was bid for secured day-to-day loans in the earlier part, and levels of 5½ per cent. or so were said to have been touched. In the late stages, balances were found at *levels down to 4 per* cent. and even 3¾ per cent however.

In the inter-bank market, overnight loans was around 5-5½ per cent. at the start, but settled at 5¼-5½ per cent. for a good part and *touched 5¾ per cent.* in places, though late-on there was a fall to 3 per cent. and in some quarters 2 per cent.

Sept. 28	Sterling certificates of deposit	Inter-bank	Local Authority deposits*	Local Auth. negotiable bonds	Finance house deposits	Inter-company loans	Discount market deposits	Treasury bills Φ	Bank bills Φ	Fine trade bills Φ
Overnight	—	2-5⅝	4¾-5¼	—	—	5⅜-5¾	5⅝-5⅛	—	—	—
2-days notice	—	—	5⅛-5¼	—	—	5½-5⅝	—	—	—	—
†7 days or 7-days notice	—	5⅜-5½	5¼-5½	—	5¼	5½-5⅝	5-5⅟₁₆	—	—	—
One-month	5⅜-5¼	5¼-5⅜	5¼-5⅜	5⅜-5¼	5¼-5⅝	5⅛-5⅝	5⅟₁₆	4.70-75	[illegible]	—
Two-months	5⅜-5¼	5¼-5⅜	5¼-5⅜	5⅜-5¼	5¼-5⅞	5½-5¾	—	4.75-76	[illegible]	—
Three-months	5⅝-5¼	5¼-5⅜	5⅜	5⅜-5¼	5¼-5½	5½-6⅛	—	4.76-77	[illegible]	5⅛-5⅛
Six-months	[illegible]	[illegible]	5⅛-5⅞	[illegible]	5½-5¾	5¾-6½	—	—	[illegible]	5⅛-5¾
Nine-months	[illegible]	6½-6⅝	5⅝-5¾	[illegible]	5¾-6	5⅞-6½	—	—	—	—
One-year	[illegible]	6⅝-6¾	-6⅛	5⅝-5½	-6-6¼	6½-7⅛	—	—	—	—
Two-years	[illegible]	[illegible]	6⅝-6¾	—	6⅞-7	—	—	—	—	—

† Local authorities and finance houses seven-day notice, other seven-days fixed. * Nominal longer term mortgage rate three years 7¼-7⅞ per cent., four-years 7¾-7⁹⁄₁₆ per cent., and five-years 7⁹⁄₁₆-7⅞ per cent. Φ Bill rate in table are buying rates for prime paper. Buying rate for 4-month bank bills 4¹⁵⁄₁₆-4³¹⁄₃₂ per cent., and for 4-month trade bills 5¾-5⅞ per cent. Approximate selling rate for 1-month Treasury bills 4⅝-4¹¹⁄₁₆ per cent., for 2-month 4³¹⁄₃₂-4¹¹⁄₁₆ per cent., and for 3-month 4¹¹⁄₁₆-4²³⁄₃₂ per cent. One to three month bank bills eligible for re-discount at the Bank of England were quoted for sale in places at 4²⁷⁄₃₂-4⅞ per cent and one to three month trade bills at 5-5½ per cent.

Finance House Base Rate (published by *the Finance Houses Association*) 6½ per cent. from August 2. Clearing bank deposit rate 3 per cent., and Base Rate for lending 5 per cent.

EXCHANGES AND BULLION

Sterling fell to $2.4783-2.4788 on balance against the U.S. dollar in London inter-bank dealings, from $2.4800-2.4803 previously. A moderate activity was seen, with *the pound again moving erratic*ally. The opening quotation was around $2.4775-2.4785, but a level close to $2.48 was quoted for a good part of *the day, before a* fall to $2.4750 or so took place in the afternoon, ahead of a late, partial recovery. Short-term Euro-dollar rates eased, and the 3-month pound weakened to 1.45 cents premium, the 6-month to 2.05, and the 12-month to 2.00. The dollar was generally firmer against major currencies, but lost a little ground against the yen *and the guilder.*

Gold was fixed at $42.72½ (£17.224) an ounce in London in the *morning*, and at $43.15 (£17.402) in the afternoon. Business was again said to be moderate in some quarters, but of fair size in others. *It seemed* possible that one or two large buyers affected the market. The closing quotation was $43.05-43.25, for a net gain of 55 cents. Gold coins were commonly firmer, with new sovereigns rising to $10.85-11.00, *and old to $12.90-13.10*, double Eagles to $65½-66½, and single to $35½-36½, but half Eagles fell to $27½-28½, and 20-mark pieces were unchanged at $25½-26½. In Zurich, gold ended at $43.10-43.30, up 60 cents on balance. In Paris, the 12½-kilogramme gold bar was fixed at Frs.7,490 a kilogramme ($42.75 an ounce at the financial franc exchange rate) at noon, and at Frs.7,510 ($42.87) in the afternoon. The one-kilogramme ingot was fixed at Frs.7,485 ($42.72 an ounce). Turnover at the Bourse meeting fell back to Frs. 3m.

Hong Kong raised gold 8 U.S. cents an ounce to $43.97.

EXCHANGE CROSS-RATES

Sept. 28	Frankfort	New York	Paris (c)	Brussels	London	Amsterdam	Zurich
Frankfurt	—	3.3125 35	59.36-88	7.026-028	8.210-213	98.54-56	8354-56
N. York	30.17-18		16.08-09	2.1218-36	2.4734-4789	29.71-73	25.20-21
Paris (c)	166.85-7.12	5.529½-30½	—	11.734-46	13.709-24	164.42 57	139 23 45
Brussels	14 24-26	47.15 18	8.52 54		116 60-80	14.01-2¼	11 89-12
London	8.20½-21½	2.47¾-⅞	13.69-70	116.60-85		8.33-34	9 83. 4
Am'd'm	1.45 50	3.361 ½	60.82-87	7.13½-14	8 33 ½	—	84.77½-82½
Zurich	119.70 86	3.965-968	71.70-80	8.40-42	1.9376-475	117.80-118.0	—

U.S. $ on Montreal 1.01⅛-⅛. Canadian $ on New York 0.9290-9893. (c) Commercial.

EURO-CURRENCY INTEREST RATES ◇

Sept. 28	Sterling	U.S. dollar	Canadian dollar	Dutch guilder	W. German mark	Swiss franc
‡Short-term	4-4½	5-5½	—	—	—	—
7-days' notice	-	8-9	—	—	8-6½	¼-⅜
Month	5¼-5¾	7⅞-8⅜	7-7¼	4⅝-5½	6-6¼	¼-1
Three-months	5¾-6¼	7⅞-8½	7⅛-7⅝	5⅝-6⅛	8-8⅝	1⅜-1⅝
Six-months	6⅛ 7	8⅛ 8⅝	7¼-7½	5¾-6⅛	6⅛-6⅝	3⅝-3¾
One-year	6⅞-7⅝	7¾ 8¼	7¼-7½	6⅛-6½	6⅛-6⅝	4⅜-4¾

Longer-term Eurodollar deposit rates were quoted nominally as follows: two-years 8¼-8⅞ per cent., three-years 8⅛-8¾ per cent., four-years 8⅛-8¾ per cent., and five-years 8¼-8⅞ per cent.

The following nominal rates were quoted for London dollar certificates of deposit: one-month 8⅛-8½ per cent., three-months 8⅛-8¾ per cent., six-months 8¼-8⅝ per cent., one-year 8¹⁄₁₆-8¹⁵⁄₁₆ per cent.

◇ Rates are in some cases nominal.

‡ Short-term rates are call for Sterling, U.S. dollars and Canadian dollars, and two-days' notice for Guilders, Marks and Swiss francs.

FOREIGN EXCHANGES

FORWARD RATES

OVERSEAS SHARE INFORMATION

Investment $ Premium (based on $2.40 per £1) 21⅛% (22¼%)

NEW YORK

Stock	Sept. 28	Sept. 27
Crane	44	43¼
Creole	22	22⅜
Crowell Collier	9¾	10
Ling-T'mco-Vght	11¼	10⅞
Litton Indus.	25⅛	25½
Lockheed Aircr.	9⅞	9⅞
Sterling Drug	46¼	44⅞
Studebaker	55	55⅜
Sun Oil	55¼	54⅞
Crocker Nat. C.P.	32	32¼
Dividend Shares	13.72	13.71
1st Nat. Boston	66¼	66¼

GERMANY

Sept. 28	Price Dm	+ or −	Div. %	Yld. %
6⅜ Fed. Loan (1977)	91¼		6	6.6
A.E.G. Dm.(50)	153		16	5.3
Allianz V'rs Dm50	384	−1	12	1.5
Audi NSU (Dm50)	144	+3	y—	—
B.M.W. (Dm50)	160	+4	12	3.8
BadAnilin (Dm50)	130.5	−0.8	22	—

PARIS

Sept. 28	Price Frs.	+ or −	Div. Frs.	Yld. %
Rentes 3½pc 1952	169.7		3.5	2.0
Air Liquide	370	−1	10.23	2.8
Aquitaine	587	−1	13.64	2.3
Banque Ind. Chine	280	+3	9.89	3.2
Beghin	147	+3	7.59	5.1
Bouygues Souchon	1,055	+19	21.59	2.1
Charter Cons.	28.7	−0.8	g32	5.7

MILAN

Sept. 28	Price Lire	+ or −	Div. Lire	Yld. %
Alitalia Priv.	9,790	−115	—	—
ANIC	769	−1	50	6.6
Bastogi	2,055	+55	85	4.1
Breda	5,590	+85	165	3.0
Burgo	7,700xc		315	4.1
Centrale	9,150	−90	320	3.5
CIGA	4,751	−47	100	2.2

AUSTRALIA

TORONTO

MONTREAL

PUBLIC UTILITIES

TRUSTS, BANKS & BONDS

AMSTERDAM

BRUSSELS

TOKYO

STOCKHOLM

SWITZERLAND

OSLO

VIENNA

COPENHAGEN

JOHANNESBURG

NOTES: [illegible]

STOCK EXCHANGE REPORT

More two-way trade in equities with falls less marked

Index 2.6 off at 417.5—Gilts' first setback for a week

ACCOUNT DEALING DATES

Option

*First Dealings	Declarations	Last Dealings	Account Day
Sept. 20	Sept. 30	Oct. 1	Oct. 12
Oct. 4	Oct. 14	Oct. 15	Oct. 26
Oct. 18	Oct. 28	Oct. 29	Nov. 9

* "New time" dealings may take place from 9 a.m. three business days earlier.

Leading equities became much steadier yesterday after Monday's fall and the morning session saw some reasonable buying which led to a fairly active two-way trade. However, following a Press report of the Chancellor's speech from the IMF meeting in Washington, the buyers withdrew and prices were marked lower. The afternoon session was quieter and fresh small selling towards the close left the Financial Times Industrial Ordinary share index at its worst of the day at 417.5, down 2.6.

Company results produced some good features as in Rowntree Mackintosh, up 50p at 620p, Adwest Group, 16p higher at 172p, and Campari, 12p to the good at 162p. But generally second-line equities and situation stocks were subjected to profit-taking and this was amply reflected in the increased ratio of falls-to-rises in all FT-quoted Industrials of 11-4 (2-1). Bargains marked at 13,118 compared with 12,714 on Monday and 10,138 a week ago.

Gilts held steady for the greater part of the day, but Mr. Barber's speech caused a late reaction and the Government securities index sustained its first setback for a week when it closed .36 down at 78.94.

The main FT-Actuaries indices were all 0.8 per cent. down at 72.81 for the Industrial Group, 56.24 for the 500 and 183.80 for the All-Share.

Gilts react

After the recent hectic rise, gilt-edged steadied down and appeared to be heading for a day of small changes until late afternoon reports about Mr. Barber's address at the IMF meeting caused prices to weaken and close with losses ranging to ⅞ at the long end of the market. Earlier, business had been on a busy scale again but more two-way than in the recent upsurge. At the opening, the Government broker raised his price of the long "tap" stock, Treasury 8¾ per cent., yet again, by ¼ to 97⅞, and other stocks followed until sellers came in and clipped prices back to the overnight level. There they remained for the most part until the late reaction which was very modest in relation to the substantial gains recorded in the past couple of months. Treasury 8¾ per cent. ended ⅞ down at 101¼ after having come up from 92¼ since the end of July. Undated stocks reacted by up to ½, War Loan being that much down at 42⅜. Smaller losses, ranging to ⅜, were usual in mediums, while short-dated stocks showed falls of around 1/16.

Corporation and Commonwealth issues held firm, the latter after quite a busy day's trade, while Southern Rhodesia bonds gained a point more in places after a little two-way business.

In the Local Authority market, there was good demand for 6⅝ per cent. 2-year bonds being issued at 99⅞, but takers were less easy to find for the 5⅝ per cent. batch of yearlings on offer at 100 and the 6 per cent. 18-month bonds, also offered at par.

The undertone in leading Fixed interest issues was still very firm, although trading became quieter. Trafalgar House 10½ per cent. Loan were a half point better at £107.

Early selling associated with unusually heavy sales of Royal Dutch Petroleum in New York lowered the investment dollar premium to 21¾ per cent. at one stage, but it recovered to end only fractionally easier at 22¼ per cent.

Home Banks better

Having eased a few pence in quiet trading, Home Banks firmed up in the late afternoon on the appearance of a few "cheap" buyers and finished up to 6p better on the day, as in Lloyds, 580p. Discount Houses often improved in the wake of the recent gilt-edged rise; Jessel Toynbee stood out with a gain of 20p to 420p. British Debt Services came back 12p to 178p in easier Hire Purchases. Insurances started firmly enough, but business failed to develop and prices generally drifted down. Phoenix closed 4p firmer at 276p ahead of to-day's expected interim report.

Breweries gave more ground with Watney Mann down an above-average 4p at 152p. A. B. Maltsters, however, moved conversely again rising 4p more to a 1971 peak of 100p. Distillers were dull at 158p, a loss of 3½p, and Tomatin relinquished 5p further to 85p, still on the interim statement.

Building issues moved irregularly and changes were usually small. R. Costain shed 4p more to 215p, while Crest Homes, 184p, and L. Fairclough, 258p, came back 6p and 7p respectively. Following news of the exploratory bid talks Southern Construction gained 1¾p at 26¾p, while J. Mowlem closed 5p off at 113p. Other dull spots included May and Hassell, 3p easier at 75p and Aberthaw Cement, 5p cheaper at 142p. In contrast, A. E. Symes rose 6p to 82p.

ICI, in increased turnover, eased 1p more to 317p, after 320p. Fisons, however, following Monday's fall of 10p on the disappointing half-yearly profits, hardened 2p to 317p, after 320p.

Electricals were mainly quiet with an easier tendency. EMI, however, staged a rally in active trading following the recent setback, touching 144p before ending 6p up on the day at 141p; the results are due to be announced on October 7. Philips' Lamp, also a depressed market of late, recovered 25p to 510p. GEC were steady at 151p, but Reyrolle Parsons, ahead of to-morrow's expected interim figures, declined 6p to 126p. Thorn "A" came back 5p to 437p and Robinson Rentals, 475p, and Westinghouse Brake, 285p, both lost 7p, while George H. Scholes recorded a fall of 10p at 260p.

Despite news of the realisation of £2.5m. on the Park Lane property sale, Burton Group continued to lose ground; the Ordinary, 230p, and the "A," 215p, both lost 5p. Hardy and Co. (Furnishers) were also notably dull at 150p, down 15p, while Steinberg were 4p easier at 62p. Austin Reed "A," however, put on 10p to 395p and Trutex improved 7p to 180p. In Mail Orders, Empire Stores lost 15p at 323p, while Grattan Warehouses fell 8p more to 247p. MFI Warehouse, however, after dipping to 195p before the interim figures, rallied to close 5p up on balance at 202p on satisfaction with the half-yearly profits.

Leading Engineerings steadied, but there were fresh casualties among second-line stocks. After an early further reaction to 376p, Metal Box picked up to close with a net 2p gain at 386p, while Adwest Group bounded 16p to 172p on the record profits and above-forecast dividend. The redundancy news, however, brought Ramsome Hoffman down 10½p to 85p. T. W. Ward were similarly lower at 355p and Wright Bindley, at 46p, gave 14p of Monday's 22p rise. Robert B. Massey fell back to 85p, despite the increased first-half profits.

Already firm at 595p ahead of the interim statement, Rowntree Mackintosh moved up further to close 50p better on balance at 620p on the half-yearly profits and the scrip issue and share split proposals. Gains of 4p and 5p were seen in Associated Biscuit, 339p, and Kinloch, 460p, respectively, but British Sugar, 350p, and Hazlewoods, 55p, both closed 5p lower.

Following Monday's fall of 12p on the chairman's profits warning, Trust Houses Forte regained 2p at 123p. Savoy "A" put on 5p to 370p, but Norfolk Capital Hotels shed 3p to 35p.

Campari, the leisure and camping group, continued to show satisfaction with the excellent results and gained 12p more at 162p. Following Monday's jump of 30p in response to Press comment, Redfearn National Glass improved 2p further to 167p. Lloyds Industries rose 3p to 80p on the increased interim profits and dividend. Hong Kong issues made a good rally and Jardine Matheson recovered 20p of the recent fall at 360p. Other firm spots included Marshall's Universal, 16p up at 228p, Maynards, 12p higher at 300p, and Wilkinson Mitchell 5p better at 46p. "Mams," however, fell sharply in active trading to 144p, down 16p, on Press comment about the proposed property deal with Town and City which ended 3p lower at 129p, after 127p. Lyon and Lyon shed 2p late to 30p on the reduced interim profits. Rank Organisation weakened further: the Ordinary opened lower at 760p and closed with a net fall of 30p at 750p, while the "A" finished 14p off at 776p, after moving between extremes of 775p and 796p. J. Wilkes lost 10p to 150p, while Wm. Cory reacted 12p to 368p. Extel, on fading bid hopes, lost 5p at 181p.

The August production figures for motor and commercial vehicles failed to bolster sentiment in the Motor sections. The Trailer-makers were noticeably easier, York losing 8p at 132p and Peak 2½p at 52½p. Dennis Motor came back 8p more to 105p. In Components, newcomer Kettering Services lost 5p at 130p. Apart from Bristol Street, 5p higher at 129p, Garages trended easier.

Firm secondary features stood out against a background of slight easiness in leading Property issues. Allied London were in demand again and closed 6p up at 68p, while Greensitt and Barratt improved the same amount to 108p following the excellent results and scrip issue. New London rose 8p to 144p and, amid fair activity, Raglan touched 14½p before ending 1p harder at 13¾p; Alliance has sold its 36 per cent. holding in the latter to Edward Bates and Eldridge Stableford. Awaiting the preliminary figures, British Land held at 134p.

Reed International were dull at 222p, down 5p, and nervous selling in front of the interim results, announced "after-hours," lowered DRG 7p to 151p. Universal Printers, however, gained 8p at 280p in response to the increased half-time profits and Watmoughs rose 4p to 88p on the forecast of a higher dividend. Among Publishers, Associated Book advanced 10p to 390p.

BP end firmly

British Petroleum opened lower at 608p influenced by the report of further delays on the Alaskan pipeline decision, but in moderate trading rallied to a close of 614p, up 2p on the day. Although ending with fresh net losses, other Oils closed above the worst levels. Shell left off 4p down at 334p, after 330p and Burmah 3p lower at 435p, after 430p. Mirroring the effects on recent sizeable selling on Wall Street, Royal Dutch fell to £18⅛ before settling at £18⅜, down ½.

In Trusts, Triplevest Capital were outstanding with a fall of 23p to 275p, while Rothschild Investment gave up 10p to 467p. Among Financials, Slater Walker (South Africa) receded 10p to 280p, while Ralli ended 3½p down at 130p.

Shippings displayed another sprinkling of losses following a small day's business. Court Line, however, were still fairly busy; after Monday's 12p reaction, the shares touched 192p and 180p before ending 2p off on the day at 184p.

In Textiles, which moved narrowly, Emu Wool hardened 1p to 52p ahead of to-day's results while Reliance Hosiery put on 5p to 75p. Textured Jersey, at 127p, lost Monday's rise of 3p and George Spencer came back 5p at 55p.

Among Tobaccos, "Bats" weakened 12p to 317p with "Imps", 83p, and Gallaher, 130p, both shedding 2p.

Rubbers were quietly steady.

Mining shares droop

Mining share markets were generally depressed although there was no real weight of selling. In Golds, adverse Press comment had more impact on sentiment than the firmer bullion price and losses ranged to 25p in West Driefontein (830p) and 20p in OFSIT (560p). West Wits were 15p off at 700p in front of the merger details.

Financials often sagged to new lows for the year with Charter falling 13p to 203p and Gold Fields losing 12p to 185p after 184p. But after touching a 1971 low of 202p, RTZ rallied on some London buying to close unchanged on the day at 206p. De Beers lost 4p to 186p and in a dull Platinum group Potgietersrust were 2p off at 92p after 87p.

Australians followed the overnight trend in markets "down-under" under the lead of Poseidon which dropped 50p more to a year's low of 750p. Prices were occasionally steadier at the close, Metals Exploration ending 5p down at 150p after 147p. Whim Creek dropped to 172p at one time before jumping to 190p and closing 7p up on balance at 187p following some bear-closing and Irish buying.

Elsewhere, Irish and Canadian selling lowered Tara 45p to 680p. Coppers were subdued by the weakness of the metal price which fell to a four-year low and Messina retreated 8p to a year's low of 222p. Tins, alone, maintained a very steady undertone and Amalgamated hardened to 17p following news of the buffer stock repayment. Central Provinces lost 2p to 22½p on the lease problem.

FINANCIAL TIMES STOCK INDICES

—	Sept. 28	Sept. 27	Sept. 24	Sept. 23	Sept. 22	Sept. 21	A Year ago
Government Sec.	78.94	79.30	78.78	78.38	78.00	77.63	70.67
Fixed Interest	78.39	78.48	78.28	77.66	77.44	77.55	72.86
Industrial Ordinary*	417.5	420.1	427.6	430.0	424.6	423.0	364.2
Gold Mines	47.9	48.5	48.7	48.5	48.7	49.0	49.5
Ord. Div. Yield pc	3.71	3.69	3.63	3.59	3.63	3.65	4.61
Earnings Yield pc (a)	5.82	5.78	5.69	5.66	5.72	5.72	6.55
P.E. Ratio (a)	17.17	17.30	17.57	17.67	17.49	17.47	15.74
Dealings Marked	13,118	12,714	11,677	10,440	10,436	10,138	10,453

*10 a.m. 419.2 11 a.m. 420.6 Noon 418.9 1 p.m. 418.4 2 p.m. 418.6 3 p.m. 418.7

(a) Based on 40% corp. tax from March 30, 1971. Latest Index 01-246 8033

HIGHS AND LOWS

—	1971 High	1971 Low	Since Compilation High	Since Compilation Low
Govt. Secs.	79.30 (27/9/71)	68.83 (4/1/71)	127.4 (9/1/35)	54.21 (11/6/69)
Fixed Int.	78.48 (27/9/71)	69.63 (4/1/71)	150.0 (28/11/47)	67.12 (11/6/69)
Ind. Ord.	430.8 (7/9/71)	305.3 (3/3/71)	521.9 (19/9/68)	49.4 (26/6/40)
Gold Mines	61.3 (19/5/71)	47.9 (31/8/71)	100.0 (12/9/55)	44.0 (15/1/70)

S.E. ACTIVITY

—	Sept. 28	Sept. 27
Daily—		
Gilt-Edged	284.7	336.2
Industrials	457.9	460.3
Speculative	197.0	156.7
Totals	298.6	289.4
5-day ave—		
Gilt-Edged	229.0	209.5
Industrials	414.2	395.7
Speculative	146.1	134.6
Totals	265.8	252.2

Basis 100 Govt. Secs. 15/10/26. Fixed Int. 1928. Ind. Ord. 1/7/35. Gold Mines 12/9/55. S.E. Activity July-Dec. 1942.

AUTHORISED UNIT TRUSTS (p★★★)

OFFSHORE AND OVERSEAS FUNDS (p★★★)

				§ Yield %
Albany Management Co. Ltd.				
Utility Hs. PO Box 483, Hamilton, Bermuda				
Albany Fund Ltd.	£5.02	£5.41	......	1.00
American Express Inv. Mngmt. Co.				
154, Edward St., Brighton, U.K. BRI 685411				
Eurosyndicat Group				
Euronion Lux F	1,757	1,827	—5	3.44
Finance Union Lux F.	481	500	—5	3.40
For Sterling Dealing Prices contact London Agents N. M. Rothschild & Sons, Ltd.				
Jardine Fleming & Co. Ltd.				
22, Pedder Street, Hong Kong.				
JardineEast'nFd†	HK$130.48		......	3.07
NAV Aug. 31. Next sub. day Sept. 30.				
Save & Prosper Distributors Ltd.				
P.O. Box 1484, Hamilton, Bermuda.				
Dollar Fund	£4.87	5.32	......	—
Hampstead	£6.23	6.81	......	—
‡Monitor	£4.58	5.01	......	—
S. & P.J.J.F.	US$12.71	13.89	......	—
Sterling Fund	£4.55	4.97	......	—

INSURANCE, PROPERTY, BONDS

STOCK EXCHANGE DEALINGS from the Official List for Sept. 28

Tuesday, September 28	13,118	Friday, September 24	11,677	Wednesday, September 22	10,436
Monday, September 27	12,714	Thursday, September 23	10,440	Tuesday, September 21	10,138

The list below gives the prices at which bargains done yesterday by members of the London Stock Exchange were recorded in the Stock Exchange Daily Official List. Members are not obliged to mark bargains except in special cases, and the list cannot, therefore, be regarded as a complete record of prices at which business was done.

Bargains are recorded in the Official List up to 2.15 p.m. only, but later transactions can be included in the following day's Official List. No indication is available as to whether a bargain represents a sale or purchase by members of the public. Markings are not necessarily in order of execution, and only one bargain in any one security at any one price is recorded.

The number of dealings marked in each section follows the name of the section. Unless otherwise denoted shares are £1 fully paid and stock £100 fully paid. Stock Exchange securities are quoted in pounds and fractions of pounds or in new pence and fractions of new pence.

‡ Bargains at Special Prices. Δ Bargains done with or between non-members. Φ Bargains done previous day. § Bargains done with members of a recognised Stock Exchange. ♣ Bargains done for delayed delivery or "no buying-in." $A—$Australian; $B—$Bahamian; $C—$Canadian; $HK—$Hong Kong; $J—$Jamaican; $Ma—$Malayan; $Me—$Mexican; $NZ—$New Zealand; $S—$Singapore; $US—$United States; $WI—$West Indian.

BRITISH FUNDS, ETC. (1,322)

INTERNATL. BANK STK. (1)

FREE OF STAMP DUTY

INT. AMER. DEV. BANK (3)

SUBJECT TO STAMP DUTY

CORPN. & COUNTY—U.K. (173)

FREE OF STAMP DUTY

PUBLIC BOARDS, ETC.—U.K. (23)

FREE OF STAMP DUTY

COMMONWEALTH GOVT. AND PROVINCIAL SECS. (65)

COMMONWEALTH CORPN STOCKS (2)

FOREIGN STKS., BDS., ETC. (7)

COUPONS PAYABLE IN LONDON

U.K. AND COMMONWEALTH RAILWAYS (14)

FOREIGN RAILWAYS (2)

BANKS & DISCOUNT COS. (422)

BREWERIES & DISTILLS (351)

CANALS & DOCKS (7)

COMMERCIAL, INDUSTL. (7,350)

A—B

Bentalls (10p) 74
Bentima (25p) 28
Berisford (S. and W.) (25p) 135Φ 5 7
Berry Wiggins (25p) 44 5½
Bestobell (25p) 120
Bibby (J.) Sons 82½ 2 80½ 79
Billam (J.) (10p) 35 6
Bimits (25p) 133 30
Birmid Qualcast (25p) 109 ½ 8 10¼. 7½pc Uns.Ln. 76½
Birm. Small Arms (50p) 25½Φ 6 5 4. 6pc SPf 45Φ
Bishops Stores A Non-Vtg (25p) 54
Blackwood Hodge (25p) 262 5 60
Blakdale Products (10p) 19Φ 20Φ
Bland (John) (25p) 32
Blaskeys (Wallpapers) (10p) 41Φ
Blue Circle Aggregates (20p) 84 3

Bluestone Elvin (20p) 38½Φ 7½Φ ½ 6½ 6 8
Blundell-Permoglaze (25p) 51½Φ 2 1½ 1
Boardman Marden (5p) 12
Bodycote (Hldgs.) (5p) 32Φ 1Φ ¼Φ 29½Φ 32 1½ ¼ 1 ¼
Bolton Textile Mill (5p) 38Φ 6½
Bond Street Fabrics (10p) 80 1
Booker McConnell (50p) 114Φ 13½ 14 ½
Boosey and Hawkes (25p) 220Φ 20
Boots (25p) 224½Φ 20 1 2 20½ 19½ 21½ 19 18 ½. 7¼pcUns.Ln 90Φ 88½ 9 9½ ¼
Boulton (William) (Hldgs.) (10p) 36 2. 8½pcUns.Ln. 99½
Bourne Hollingsworth (25p) 66 7. 6¼pc Uns.Ln. 64½
Bovis (25p) 208Φ 6Φ 9 11 12
Bowater Paper Corpn. 159Φ 5Φ 6 4 5 7 5½ 3½. 5½pcPf. 59 ¼ 62½
Bowaters Newfoundland 4½pcPf. 32½ 1½
Bowthorpe Hldgs (10p) 52½Φ ¼Φ 1¼ 2 ¼. 7pcUns.Ln. 56½Φ

C—D

Delyn (20p) 37Φ 7 6
Denby (Wm.) Son (5p) 20Φ
Denbyware (25p) 109Φ 7Φ 7
Dennis Motor Hldgs. (50p) 115Φ 10½Φ 1 6 2 7
Denny (Henry) Sons 6pcPf. 39Φ
Desoutter Bros (Hldgs.) (25p) 140½Φ. 5½pcPf. 46
Development Secs. 410 25. Cap. 410
Dexion-Comino Intnl. (10p) 22Φ 1 19½ 20
Dickinson Robinson Group (25p) 156Φ ½Φ 4 5 1½ 1 3. 7¼pcUns.Ln. 86¼½Φ ½Φ
Dimplex Industs. (5p) 41 ¼ 40½
Diploma Investś. (25p) 149Φ 8Φ 50Φ 3Φ 49 50
Dixon (Peter) Son (Hldgs.) 149Φ 52½Φ 5 2. 9½pcUns.Ln. 95
Dixon Photographic (10p) 110Φ 7 ½ 8. A (10p) 104Φ 5Φ 6 5½ 4 ½
Dobson Park Industs. (10p) 51 ½ ¼ 2 1¾
Doland (George) (10p) 17Φ ½Φ ½

E—F

G—H

Hollingdrake Auto. (25p) 69
Hollis Bros. E.S.A. (25p) 53Φ 49
Holt Products (10p) 36½ 5½
Homfray (25p) 92½Φ
Hoover (25p) 515 20 5 17. A (25p) 515Φ 11 15 12
Hopkinsons Hldgs. 385Φ
Houchin (25p) 60Φ 2
House of Fraser (25p) 208Φ 9 6 ½ 7 6½ 8 5. 8¼pcUnsecd.Ln. 90¼ 90½
House of Lerose (25p) 108 12
House of Sears (Hldgs.) (10p) 13
Hoveringham Gravels Restd.Vtg. (25p) 30
Howard Wyndham A (20p) 45½
Howard Shuttering (Hldgs.) (10p) 27½
Howell (J.) 8pcPf 67½Φ
Hudson (R.) (25p) 73
Hudson's Bay (npv) 935½Φ 42Φ 38Φ 89Φ
Humphries Hldgs. (25p) 17
Hunt Moscrop (Middleton) (5p) 20
Hunting Assocd. Inds. (25p) 43
Huntleigh Inv. (10p) 40Φ 1Φ 40
Hutchinson 1CpcPf. 82Φ

I—J—K

L—M

Morgan-Grampian (25p) 135Φ ½Φ
Morris Blakey Wall Papers (25p) 92
Morris David Jones (25p) 91. 7½pcPf. 66Φ
Morton Sundour Fabrics 5pc1stPf. 40Φ
Moss Engng. Group (25p) 55 3½
Mothercare 10pcPf. (50p) 104
Mount Charlotte Investś. (10p) 17½Φ ¼Φ ½Φ ½
Mowlem (John) (25p) 116 17
Muirhead (25p) 75 5½
Murray (D. and W.) (25p) 325Φ
Myson Group (10p) 231 ½ 3 30

N—O—P

NSS Newsagents (10p) 91½ ½½ 4 3 1
Nairn Williamson (Hldgs.) 112 ½ 11
Nathan (B. I.) (25p) 68 8
National Carbonising (10p) 190Φ 2
National Cash Register (4pcStg./Dllr.Ln.)

Q—R—S

T—U—V

W—Y—Z

ELEC. LIGHTING & POWER

FINANCIAL TRUSTS, ETC.

GAS (10)

INSURANCE (312)

INVESTMENT TRUSTS

هكذا من الأجل

F.T.—ACTUARIES SHARE INDICES

These indices are the joint compilation of The Financial Times, The Institute of Actuaries and the Faculty of Actuaries in Edinburgh

#	EQUITY GROUPS — GROUPS & SUB-SECTIONS (Figures in parentheses after sectional names show number of stocks.)	Tues. Sept. 28, 1971 Index No.	Day's Change %	Est. Earnings yield % (With 40% Corporation Tax)	Est. Price/Earnings Ratio	Div. yield %	Monday Sept. 27 Index No.	Friday Sept. 24 Index No.	Thurs. Sept. 23 Index No.	Wed. Sept. 22 Index No.	Year ago (approx.) Index No.	1971 High	1971 Low	Since compilation High	Since compilation Low
1	CAPITAL GOODS GROUP (134)	158.05	−0.7	5.98	16.75	3.78	159.10	160.89	161.00	160.17	126.81	162.00 (14/9)	103.03 (2/3)	181.50 (19/9/68)	82.82 (25/5/66)
2	Aircraft and Components (3)	115.38	−1.8	7.07	14.15	5.36	118.52	121.21	119.68	117.12	107.74	124.11 (7/9)	66.40 (3/3)	280.12 (23/9/68)	66.40 (3/3/71)
3	Building Materials (29)	165.14	−0.5	4.78	20.93	3.29	165.54	166.88	166.09	165.14	107.03	166.88 (24/9)	98.30 (2/3)	167.98 (20/9/68)	85.01 (25/6/62)
4	Contracting and Construction (20)	265.79	—	5.28	18.93	2.33	263.67	266.69	266.43	269.10	197.91	269.86 (20/9)	152.63 (26/3)	269.85 (20/9/71)	84.39 (27/6/62)
5	Electrls. (ex. Electrn. Rad. & TV) (13)	276.23	−0.3	5.14	19.46	3.00	277.09	282.32	283.81	281.89	219.19	286.23 (10/9)	174.23 (2/3)	335.11 (17/9/68)	84.71 (25/6/62)
6	Engineering (79)	141.19	−0.9	6.78	14.75	4.42	142.53	144.36	144.79	145.71	122.29	149.28 (28/7)	102.56 (2/3)	160.85 (19/9/66)	82.90 (26/6/62)
7	Machine Tools (15)	63.76	−0.4	7.59	13.17	6.28	64.04	64.43	64.45	64.60	68.67	68.30 (15/8)	43.86 (5/3)	136.70 (4/7/66)	43.86 (6/3/71)
8	Miscellaneous (25)	132.71	−1.6	7.62	15.13	4.36	134.81	134.66	134.90	134.53	117.49	136.20 (14/9)	94.19 (2/3)	144.27 (31/1/69)	69.01 (8/11/65)
9	CONSUMER GOODS (DURABLE) GROUP (56)	182.09	−0.4	4.73	21.13	2.86	182.77	185.94	185.09	185.14	141.82	185.09 (23/9)	117.33 (2/3)	197.87 (16/1/69)	79.96 (25/6/62)
10	Electronics, Radio and TV (14)	195.43	−0.5	4.92	20.34	2.35	196.36	198.47	199.14	197.46	159.61	199.14 (23/9)	128.51 (2/3)	199.86 (19/9/68)	71.10 (6/11/65)
11	Household Goods (15)	205.21	−0.6	5.60	17.24	3.28	204.47	204.84	205.67	204.73	130.19	205.67 (23/9)	115.92 (2/3)	205.67 (23/9/71)	86.65 (26/6/62)
12	Motors and Distributors (27)	121.76	−0.2	4.18	23.93	3.50	121.99	122.27	123.57	121.71	94.08	123.57 (23/9)	78.91 (2/2)	170.59 (15/1/69)	76.92 (24/10/62)
13	CONSUMER GOODS (NON-DURABLE) GROUP (175)	168.16	−0.9	5.58	18.59	3.64	169.75	171.93	171.93	170.29	123.70	172.37 (14/9)	118.17 (3/4)	172.37 (14/9/71)	83.71 (2/11/65)
14	Breweries (21)	198.73	−1.6	5.07	19.74	3.24	201.97	204.59	203.40	201.74	131.23	205.23 (14/9)	123.30 (4/1)	205.23 (14/9/71)	80.39 (30/2/66)
15	Wines and Spirits (7)	176.28	−2.0	5.92	16.90	3.97	179.82	181.81	180.70	176.33	143.34	196.05 (14/7)	142.41 (4/1)	196.05 (14/7/71)	118.78 (15/6/70)
16	Entertainment and Catering (15)	214.99	−1.5	6.78	14.75	3.60	218.18	220.05	219.15	220.15	179.47	223.01 (20/9)	177.99 (2/3)	231.89 (21/1/69)	80.11 (25/7/62)
17	Food Manufacturing (24)	146.34	−0.3	5.45	18.35	3.71	146.72	148.06	148.39	147.94	110.28	149.88 (14/9)	99.74 (2/3)	171.54 (31/1/69)	95.98 (15/6/70)
18	Food Retailing (17)	157.43	−0.9	5.00	20.00	3.23	158.82	159.75	160.89	160.60	107.02	160.89 (23/9)	100.23 (2/3)	163.68 (7/6/68)	94.62 (27/5/70)
	Newspapers and Publishing (15)	151.03	−0.4	5.74	17.41	4.65	151.66	152.16	152.77	150.02	107.27	152.77 (23/9)	101.66 (13/1)	184.85 (25/1/69)	81.74 (25/7/62)
	Packaging and Paper (16)	116.36	−1.5	6.63	15.08	4.46	118.16	119.29	120.17	119.56	109.01	125.27 (6/9)	88.81 (2/3)	134.63 (2/1/68)	87.91 (25/6/62)
	Stores (30)	161.89	−0.3	4.20	23.79	2.90	162.36	164.88	164.76	162.28	108.46	164.88 (24/9)	104.48 (2/3)	164.88 (24/9/71)	72.74 (8/11/65)
	Textiles (21)	174.55	−1.2	5.66	17.66	5.17	176.70	180.27	181.43	180.13	146.08	183.27 (7/9)	137.81 (3/3)	253.72 (17/8/68)	89.90 (20/7/62)
	Tobacco (3)	221.02	−2.2	9.88	10.12	5.97	225.94	230.16	231.21	228.83	190.13	254.47 (27/7)	170.92 (20/1)	305.02 (30/1/69)	94.34 (15/6/62)
	Toys and Games (6)	46.32	+1.0	0.86	116.12	3.23	45.85	46.74	45.67	45.70	56.43	69.05 (12/1)	44.90 (9/9)	135.72 (16/1/70)	44.90 (9/9/71)
	OTHER GROUPS														
	Chemicals (19)	190.58	−0.3	5.26	19.03	3.42	191.26	193.98	196.38	194.59	151.35	200.29 (7/9)	138.18 (10/2)	201.92 (31/1/69)	83.29 (25/6/62)
	Office Equipment (10)	189.84	−2.0	3.49	28.67	1.67	193.65	197.30	197.71	198.55	148.72	212.06 (16/7)	153.52 (15/2)	212.06 (16/7/71)	109.12 (26/5/70)
	Shipping (10)	317.01	−0.9	8.39	11.92	5.21	319.77	323.51	324.75	326.59	339.68	332.60 (7/9)	269.76 (16/4)	355.44 (8/10/70)	90.80 (29/6/62)
	Miscellaneous (unclassified) (44)	192.39	−0.5	5.58	17.92	3.58	193.36	194.58	194.79	192.91	135.75	194.79 (23/9)	128.55 (2/3)	194.79 (23/9/71)	76.52 (8/11/66)
	INDUSTRIAL GROUP (498 SHARES)	172.81	−0.8	5.43	18.42	3.52	174.13	176.19	176.61	175.21	—	176.61 (14/9)	120.61 (2/3)	176.61 (14/9/71)	120.61 (2/3/71)
	Oil (2)	329.80	−1.0	6.14	16.29	3.80	333.00	336.20	334.52	333.27	274.68	363.50 (27/7)	260.74 (2/3)	431.66 (29/5/69)	87.23 (29/6/62)
	500 SHARE INDEX	186.24	−0.8	5.53	18.08	3.66	187.72	189.88	190.14	188.74	144.39	190.63 (8/9)	132.46 (2/3)	193.73 (31/1/69)	84.86 (26/6/62)
	FINANCIAL GROUP (121)	176.81	−0.8	—	—	2.71	178.30	178.49	177.72	177.38	119.71	178.49 (24/9)	119.73 (10/2)	178.49 (24/9/71)	69.38 (30/8/65)
	Banks (6)	175.21	+0.1	7.87	12.70	2.90	175.05	175.13	173.96	174.00	106.72	189.94 (27/7)	101.65 (6/1)	189.94 (27/7/71)	69.25 (16/6/64)
	Discount Houses (6)	*186.04*	+1.4	—	—	4.15	*183.50*	*183.50*	*181.30*	*180.92*	*126.19*	*186.04* (28/9)	130.72 (16/1)	*186.04* (22/9/71)	87.65 (13/6/68)
	Hire Purchase (6)	284.58	−1.1	4.47	22.36	2.66	287.63	292.48	292.30	289.88	192.26	306.24 (8/9)	186.57 (12/1)	306.24 (8/9/71)	80.02 (3/3/65)
	Insurance (Life) (9)	168.45	−1.1	—	—	2.57	170.31	169.51	169.11	168.68	125.01	170.47 (20/9)	123.16 (12/1)	170.47 (20/9/71)	61.35 (30/8/66)
	Insurance (Composite) (9)	139.27	−1.1	—	—	3.10	140.75	140.37	140.87	139.66	87.59	140.87 (23/9)	89.80 (10/2)	140.87 (23/9/71)	64.40 (16/3/65)
	Insurance (Brokers) (11)	185.87	−0.9	4.76	21.02	2.46	187.56	186.86	185.76	184.60	111.83	187.56 (27/9)	118.27 (4/1)	187.56 (27/9/71)	82.59 (24/7/69)
	Investment Trusts (20)	194.76	−1.5	2.92	34.22	2.72	197.72	198.88	198.29	199.20	161.93	202.35 (6/9)	152.16 (2/3)	215.04 (31/1/69)	80.84 (26/6/62)
	Merchant Banks, Issuing Houses (14)	182.96	−1.5	—	—	2.12	185.72	187.24	183.93	184.12	122.57	187.24 (24/9)	108.44 (16/3)	187.24 (24/9/71)	50.47 (15/7/65)
	Property (31)	224.71	−0.8	2.72	36.71	2.19	226.44	226.40	224.69	224.30	151.01	226.72 (26/8)	139.37 (8/3)	226.72 (25/8/71)	56.01 (20/4/65)
	Miscellaneous (9)	182.00	−1.0	5.59	17.88	4.08	183.86	184.96	183.98	183.29	—	184.96 (24/9)	120.73 (4/1)	184.96 (24/9/71)	120.06 (31/12/70)
	ALL-SHARE INDEX (621 SHARES)	183.80	−0.8	—	—	3.35	185.28	186.94	186.94	185.81	138.20	187.32 (8/9)	129.47 (2/3)	187.32 (8/9/71)	83.72 (26/6/62)
	COMMODITY SHARE GROUPS (*Not included in the 500 or All-Share indices*)														
	Rubbers (10)	229.96	−0.1	9.89	10.11	7.80	230.14	231.10	232.19	232.57	143.64	234.97 (21/9)	163.62 (7/4)	234.97 (21/9/71)	84.68 (26/8/65)
	Teas (10)	96.97	+0.2	15.80	5.95	9.23	96.75	96.09	96.02	96.26	75.34	97.57 (17/9)	78.71 (5/3)	114.64 (14/5/64)	59.95 (14/11/66)
	Coppers (4)	268.85	−2.4	66.04	1.51	16.38	275.51	283.39	309.27	311.59	285.12	350.50 (12/7)	235.80 (21/1)	350.50 (12/7/71)	94.06 (29/4/62)
	Mining Finance (11)	84.17	−3.4	6.73	14.87	3.94	87.12	89.06	91.00	90.80	124.38	106.79 (7/7)	84.17 (28/9)	175.90 (23/4/69)	84.17 (28/9/71)
	Tins (8)	70.79	+0.2	11.21	8.92	8.68	70.62	70.60	70.52	70.58	62.82	74.77 (20/7)	62.11 (4/1)	106.97 (23/8/65)	54.83 (27/5/70)

FIXED INTEREST	Tuesday, Sept. 28 Index No.	Tuesday, Sept. 28 Yield %	Monday Sept. 27	Friday Sept. 24	Thurs. Sept. 23	Wed. Sept. 22	Tues. Sept. 21	Mon. Sept. 20	Year ago (approx)	1971 High	1971 Low	Since Compilation High	Since Compilation Low
Consols 2½% yield	—	8.57	8.49	8.60	8.67	8.77	8.82	8.82	9.29	—	—	—	—
20-yr. Govt. Stocks (6)	85.78	17.49	86.32	84.99	84.29	*83.29	*83.27	*83.07	73.98	86.32 (27/9)	70.60 (4/1)	115.42 (11/9/63)	68.43 (16/6/70)
20-yr. Red. Debentures & Loans (15)	78.35	†9.38	78.32	77.81	77.46	*76.69	*77.07	*77.61	74.73	78.35 (28/9)	68.42 (4/1)	113.43 (23/10/63)	66.59 (16/6/70)
Investment Trusts Prefs. (15)	74.60	9.90	73.93	73.83	73.83	72.84	72.80	72.80	70.76	74.60 (28/9)	66.23 (11/1)	114.41 (13/9/63)	66.23 (11/1/71)
Commercial and Industl. Prefs. (20)	79.86	9.66	79.45	79.10	78.45	77.95	77.94	77.94	72.51	79.86 (28/9)	69.02 (13/1)	114.41 (7/10/63)	69.02 (13/1/71)

Section or Group	Base Date	Base Value
Food Manufacturing	29/12/67	114.13
Food Retailing	29/12/67	114.13
Insurance Brokers	29/12/67	96.67
Mining Finance	29/12/67	100.00
Wines and Spirits	16/1/70	144.76
Toys and Games	16/1/70	135.72
Office Equipment	16/1/70	162.74
Industrial Group	31/12/70	128.20
Miscellaneous Financial	31/12/70	128.06
All Other	10/4/62	100.00

† Redemption yield.

F.T.-Actuaries indices are calculated by Extel-Communications Limited (a member of the Exchange Telegraph Group) on an IBM 360 computer.

A current list of constituents of the F.T.-Actuaries Share Indices can be obtained from the Publisher, the Financial Times, Bracken House, Cannon Street, London, EC4P 4BY, price 13p. By post inland 16p. Commonwealth 16p. Foreign 19p.

* The redemption yields per cent. on these days were:

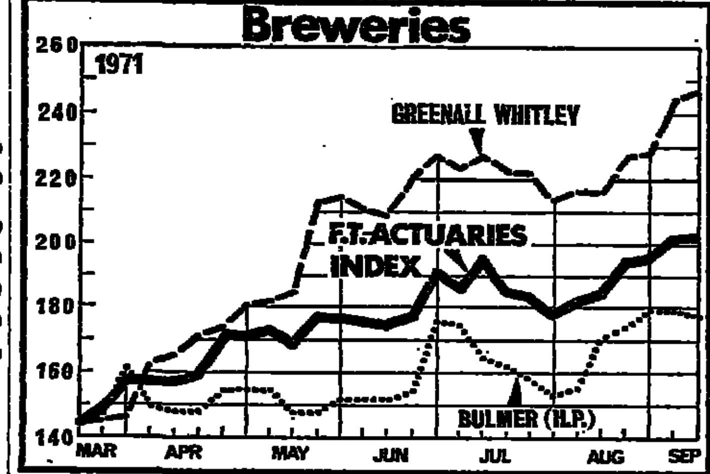
	Sept. 22	Sept. 21	Sept. 20
20-year Government	7.71	7.76	7.78
20-year Redeemable Debenture	9.51	9.54	9.55

ACTIVE STOCKS

Prices in pence except where otherwise indicated.

Stock	Denomination	No. of marks	Closing price	Change on day	1971 high	1971 low
Imp. Chem. Inds.	£1	21	317	−1	335	230
Beecham	25p	14	325	−3	356	225
Brit.-Am. Tobacco	25p	14	317	−12	391	265
Fisons	£1	14	317	+2	330	220
Cons. Gold Fields	25p	13	185	−12	285	184
Burmah Oil	£1	12	435	−3	477	297½
Court Line	25p	12	184	−2	200	119
Marks & Spencer	25p	11	317	+1	331	194¾
Metal Box	£1	11	386	+2	420	277
Shell Transport	25p	11	354	−4	426	327
Brit. Petroleum	£1	10	614	+2	628	403
Campari	10p	10	162	+12	162	76½
EMI	50p	10	141	+6	189	124
Rio Tinto-Zinc	25p	10	206	—	270	206
Star (GB)	50p	10	198½	−3	217½	100½

The above list of active stocks is based on the number of bargains recorded yesterday in the Official list and under Rule 163(1)(e) and reproduced to-day in Stock Exchange dealings.



The above-average performance of Brewery shares so far this year has in no little way been helped by speculation following the bid battle for Truman Hanbury and Buxton. However, prior to the bid, the earlier good foundation was laid by some excellent results from the industry. The F.T.-Actuaries share index for the sub-section is 52 per cent. up since the start of the year, compared with a rise of 36 per cent. in the Industrial Group of 498 shares.

These charts show the pattern of an F.T.-Actuaries index and of prices of two constituents converted to index numbers at weekly intervals over about six months, starting from the same base.

Breweries have best July on record

BY MICHAEL CASSELL

BREWERIES had their best July on record, according to figures released yesterday by the Brewers' Society. They show that output reached 3,281,146 bulk barrels, a marginal 0.35 per cent. increase on the same month last year which itself was an excellent period for production.

The latest figures confirm the continuing upward trend of beer sales so far experienced this year, although there was a slight downturn in output during June because demand was affected by poor weather conditions.

It now looks as though the industry will be able to pass last year's total production of 33,698,000 barrels, although the margin may not be as large as earlier trends had suggested. Anything over 2 per cent. increase, however, would be warmly welcomed and this now seems possible.

In the first seven months of the year, production reached 19,908,783 bulk barrels, a 3.5 per cent. increase on the same period last year.

Customs and Excise figures show that of the total output, just over 66,000 bulk barrels were earmarked for export compared with nearly 76,000 bulk barrels in July, 1970.

Plan to improve Mersey rail services

PLANS to develop train travel on Merseyside were announced yesterday by British Rail at Liverpool. The conurbation is to be given the brand name "Mersey Rail" and divided into three segments, each with its own title and distinctive publicity like London Transport.

Lime Street station with its inter-city services will be known as the City Line and its colour will be blue. Exchange station which serves the North of England will be known as the Northern Line and take the colour red. The Central low-level station which operates the Mersey underground railway will become the Wirral Line with the colour green.

Announcing the changes, Mr. Ron Cotton, divisional passenger manager, said the object was to improve services, offer additional facilities and simplify fare structures. A start would be made next Monday on the Wirral Line, one of the busiest commuter services in the country, when Sunday schedules would be doubled and off-peak programmes improved.

He added that on the Northern Line to Southport, already used by 7m. passengers a year, improved services in the last 12 months had attracted an additional 200,000 travellers.

Winter air holiday prices for 1972-73

THE Department of Trade and Industry has decided, after consultation with the Air Transport Licensing Board, that the minimum prices of inclusive tour holidays by air within Europe during the winter period beginning October 16, 1972, will be broadly the same as for the coming winter.

The only changes will be that the winter period will end on March 31, 1973, one week later than in 1972, while the minimum prices will be increased by £1 for each night by which a holiday exceeds 28 nights.

Earlier this year, Mr. Michael Noble, Minister for Trade, announced that after consultation with the Board and taking the views of airlines and tour organisers, the control over the prices of short holidays of seven nights or less involving flights between this country and many resorts in Southern Europe, Algeria, Morocco and Tunisia, would be suspended for an experimental period from October 16, 1971, to March 24, 1972.

He also said the minimum prices for holidays of more than seven nights in the same resorts would be reduced by one-sixth. Minimum prices for other places in Europe this winter would remain the same.

Option Report and three-month "Call" rates

OPTION DEALING DATES

First Dealings	Last Dealings	Last Declaration	For Settlement
Sept. 28	Oct. 11	Dec. 30	Jan. 11
Oct. 12	Oct. 25	Jan. 13	Jan. 25
Oct. 26	Nov. 8	Jan. 27	Feb. 8

Conditions in the Option market were active at the start of the new account. Stocks dealt in for the "call" included Watney, Pleasurama, Unilever, Amey Group, "Mams," Turner and Newall, ICI, Plessey, Armour Trust, British Leyland, Giltspur, Ready Mixed Concrete, Avana, Union Corpn., Hampton Areas, R. Costain, Woolworth, General Electric, London and Northern, E. Scragg, Barclay Securities.

"Puts" were arranged in Drake and Cubitt, Rio Tinto-Zinc, British Petroleum, Judge International, International Computers and Tigon, while a double-option was completed in Aaronson Bros.

Prices in pence unless otherwise stated.

Industrials						Mines	
A. P. Cement	18	G.U.S. "A"	22	Reed Intl	22	Anglo Amer.	30
Barclays Bank	30	Guardian	14	Slater Walker	20	Broken Hill Prop	62
Beecham	18	Guest Keen	20	Tesco	5	Charter Cons.	22
Boots Drug	11	Hawker Sidd.	20	Thorn "A"	25	Charterhall Fin.	4
Bowaters	15	Hay's Wharf	20	Tube Inv.	25	Cons. Gold	25
B.A.T.	20	House of Fraser	17	Unilever	20	De Beers Def.	13
British Leyland	3	I.C.I.	17	Utd Drapery	15	F. S. Geduld	52
British Oxygen	3	"Imps"	6	Vickers	7	Great Boulder	20
Burton "A"	15	I.C.L.	20	Woolworth	5	Hampton Areas	15
Butlin's	3	Int. Stores	7	Property		Hampton Props.	9
Cadbury's	7	Inveresk Paper	5	Cap Counties	9	Kloof	20
Cannon St.	6	Jessel Secs.	26	Land Securities	12	Lonrho	10
Courtaulds	10	Legal & General	22	Peachey	9	Loraine	5
Debenhams	14	Lloyds Bank	30	Star (Gt. Brit.)	20	Metals Explor.	26
Distillers	11	"Lofs"	6	Town & City	12	Newmetal	2
Dunlop	13	"Mams"	14	Town & Comm.	14	Poseidon	£2
EMI	12	Marks & Spenc'r	18			Pres. Steyn	20
Fisons	19	Metal Box	22	Oils		Rio-T.Zinc	15
G.R.A. Trust	12	Midland Bank	30	Brit Petroleum	32	Welkom	12
Gen. Accident	12	Nat'l West Bank	30	Burmah Oil	31	West Areas	9
General Electric	9	P. & O. Defd.	15	Oil Search	4	Western M'ng.	18
Glaxo	30	Plessey	10	Shell	22	Zambia Copper	7
		Rank Intl.	11	Ultramar	24		
		Rank Org. "A"	52				

REGIONAL MARKETS

Prices in pence and denominations of 25p unless otherwise stated

BELFAST

B'fast C3½% 1975	£96	......
B'fast Rope £1	76	......
Hughes (B) £1	150	......
Vulcanite	107	......

IRISH EXCHANGE

Exch-6% (80/85) £77.42 +0.25

Graig Ship £1	285	......
Hal'm Sl'gh 10p	16½	......
Hill (Chas) £1	133½	......
Kleen-e-ze	45½	......
Lovell's Ship £1	63	......
Lye Tr'ding 10p	23½	......
Pearce C. H.	52½	......
Penarth, Eng.	63	......
Sindall (Wm)	44½	......
Smith (Herm)	10	......
Heaton W 10p	3	......
Higsons Brew.	135	......
Hindson Rd 20p	69	......
Holt, Joseph £1	500	......
Ingham (G) 10p	105	......
I.O.M. Stm. £1	325	......
Ketton Cem. £1	405	......
L'pool Grain £1	98	......
Man. Canal £1	251	−2
Moat H. & Sw	80	......

NORTHERN EXCHANGE

SCOTTISH EXCHANGE

MIDLANDS & WESTERN

SPECIAL LIST

SEPTEMBER 28 (2)

Morton Sundour Fabrics 5pc1stPf. 40p◆

RULE 163 (1) (e)

Bargains marked under Rule 163 (e) (e) in securities for which quotation has not been granted and which are not recorded in the Official List.

SEPTEMBER 28

Aust. Invest. Devel. 42½◆
Argo Invest. 53◆ 5‡
Austim 48½◆ 9◆ 50 48¼ 8
Aust. Consol. Minerals 10½◆. Do Opts. 4¼◆
Aust. Consol. Inds. 70◆
Alliance Oil Develop. 12½◆
Abitibi Power Paper 295
Amoco 5½pc 1984 $US96⅞ 7
Aust. Cont. Res. 9‡
Argosy Mining 20
Asmin Ex 2½
Amsterdam Rotterdam Bank 775
Asbestos Corp £15¹¹⁄₁₆
Bradmill Inds. 22◆

CORAL INDEX
Close 416—421

RISES AND FALLS YESTERDAY

	Up	Down	Same
British Funds	—	39	9
Corps. Dom. and Foreign Bonds	19	6	108
Industrials	208	578	935
Financial & Prop.	50	271	233
Oils	8	12	10
Plantations	9	9	70
Mines	16	65	97
Recent Issues	12	14	80
Totals	322	994	1,532

NEW 'HIGHS' AND 'LOWS' FOR 1971

NEW "HIGHS" (109)

CORPORATION LOANS (3)
L.C.C. 6½pc 71-72 W. Riding 5¼pc 1975
L.C.C. 5½pc 85-87

PUBLIC BOARDS AND OTHER LOANS (2)
ICFC 9½pc 1975 Met. Water 3pc "B"

COMMONWEALTH AND AFRICAN LOANS (5)
Aust. 6pc 81-83 N.Z. 4pc 1976-78
N.Z. 8pc 1972 S. Rhod. 2½pc 65-70
N.Z. 4¼pc 70-73

MOTORS (2)
Plaxtons Davis (Godfrey)

NEWSPAPERS (4)
Ass. Book Pubs. News Intnl.
Menzies (J.) Do. "A"

PAPER, PRINTING (4)
KMPH Universal Printers
McCorquodale Watmoughs

PROPERTY (14)
Allied London Prop. Sec. Inv.
Amal. Inv. & Prop. Raglan
Ashworth & Steward Regional Prop.
Greensitt & Barratt Do. "A"
Lewston Dev. Town Centre

NEW "LOWS" (37)

STOCK EXCHANGE DEALINGS (extracts legible)

London Scot. Amer. (25p) 144½
Walker New 104◆ ½ 4 3½
Miscellaneous (186)
American Metal Climax Warrs. to Sub. 350. 8pcSub.Debs. ($US100) £44½
Berait Tin and Wolfram (25p) 218
Burma Mines (17½p) 5½◆
Central Provinces Manganese Ore (12½p) 240◆ 4 3½
Vereeniging Ests. (R2) £9⅞
Vlakfontein (R1) 37 8½
Vogelstruisbult Metal Hldgs. (R0.02½) 41
Waterval (Rustenburg) Platinum (R0.05) 57◆ 70 69
Welkom (R0.50) 76 5 3‡
West Driefontein (R1) 820 40 35 30
Evans of Leeds (25p) 110½◆ 11½ 10½
Fraternal Ests. (25p) 37½
Grand Junction (25p) 155½ 6½. 5pcLn. 185
Great Portland Ests. New 279
Green (R.) Props. (10p) 62 1½ 1
Greencoat Props. (15p) 67½◆ 7 ½ 6½
Grendon Secs. (10p) 90½ 1½
London Asiatic Rubber Prod. (10p) 44½ 4
London Sumatra (10p) 16¼◆ ½
Majedie (Johore) (5p) 19½◆
Malayalam (10p) 13¼
Mapalagama (10p) 6½
Marawan (Java) (10p) 15
Merlimau Pegoh (10p) 17½◆ ½◆
Panawatte 22
Parambe of Ceylon (10p) 43◆ ½◆
Pataling (10p) 41½◆ 2 1½
Plantation Hldgs. (10p) 26½
Rubber Ests. of Ceylon (10p) 9
Scafield Amalg. (10p) 60¼ ¼; 1
Basin Oil (20ct) 10◆
Barymin Ex 47◆ 8
Barrier Ex. (35 cts) 31½◆
Bell Bros. 108◆ 6
Badishe Anilin Soda Fabrik £19½◆
Bougainville (F.P.) 110. Do. (F.P.) 79◆ ½◆ 4 5 3. (10cts) 13 ¼ 14¼ 13½
Bridge Oil (5 ct) 8 7¼
Bradlows Stores 45
Bounty Oil 2¼
Berguntal Tin 198‡
Canada Cement £10
Ciba Geigy 7¼pc 1978-91 (£50 pd) 65◆ 7½◆ 7
Colne Valley 5pc 48. 7pc 66‡. 4pcPf. 37½. 4½pcPf. 77◆ ½◆
Essex Water 5pc 48½‡. 5pcPerp.Pf. 49. 5pc 48½‡ ½. 5pcPf. 78◆ 6‡ 8. 10pc New 109 (£10 pd.) 31 30½
Folkestone Dist. (£10) 950
Hartlepools 5pc 48
Lee Valley Water 4pcPf. 38. 5pcDb. 48½‡
Newcastle Gateshead Water 5pcPf. 49◆ 51
S. Staffordshire Waterworks 4¼pcPf. 82◆ ½◆
Transport Devel. (Aust.) 66◆
Tokyo Capital Hldgs. $US19
Unilever N.V. 8pc Notes 1970-75 £17½
Vultan Mineral 35◆ 5 30‡
West Coast Hldgs. 12◆
Whim Creek 184◆ 79◆ 81◆ 75 8 6 9 90 70 86 74
Western Bancorporation £17³⁄₁₆◆
Westmex 9◆
Westfield Minerals Ord. 69. Wnts. 25◆
Wheelock Marden 187◆ 90 88 6 91 87
West Coast Transmission £11¹⁵⁄₁₆◆
Woodside Oil 42 3½‡. New 26 ½ 7 4 8
Waltons 50
Westralian Sands 14‡
Western Decalta 396
Westmorland Minerals 8
(By permission of the Stock Exchange Council)

SHARE INFORMATION SERVICE: NOTES

F.T. SHARE INFORMATION SERVICE

BRITISH FUNDS

1971 High	1971 Low	Stock	Closing Price £	+ or —	Gr's Y'ld pc Interest £	Gr's Y'ld pc Redemption £
		"Shorts" (Lives up to Five Years)				
100 1/16	96 5/16	Conv. 6pc 1972	100⅝	......	5.97	4.90
99 5/16	96⅛	Gas 4pc 68-72	99 5/16	......	4.03	4.91
101⅛	96 7/16	Exchequer 6¼pc 1972	101⅛	......	6.18	4.66
102 1/16	98 5/32	Exchequer 6¾pc 1973	101 5/32	......	6.62	5.22
97⅜	92⅜	Electric 3pc '68-73	97 7/16 xd	......	3.08	4.87
97 7/16	92⅝	Transport 3pc '68-73	97 7/16 xd	—1/16	3.08	4.87
99½	99¼	Treas. 5½% 1973	99½	......	5.28	5.49
98 7/32	93⅞	Conv. 5¼pc 1974	98 7/32	—3/32	5.34	5.97
98¾	93 5/32	Treas. 5½% 1974	98 [illegible]	......	5.57	5.97
102⅛	96 3/16	Treasury 6¾pc 1974	101 15/16	—1/16	6.62	6.07
91⅝	84 [illegible]	Savings 3pc '65-75	91⅝	......	3.28	5.41
99⅛	92 [illegible]	Treas. 6% 1975●	99 1/16	—1/16	6.05	6.31
100⅛	95 1/16	Exch. 6½pc 1976	100 1/32	—1/32	6.49	6.49
100⅛	95⅛	Treasury 6½pc 1976	99 [illegible]	—1/16	6.50	6.45
100	94¾	Victory 4pc 1976	98	......	4.08	4.87
		Five to Fifteen Years				
99½	87¼	Funding 4pc '60-90	97¼ xd	—¼	4.09	5.01
[illegible]	96	Treas. 6¾% 1977	98¾	—1/16	6.35	6.58
88⅝	80	Electric 3pc 1974-77	88½ xd	—⅛	3.39	5.49
90¼	81	Transport 4pc '72-77	90	—¼	4.60	6.17
92½	82⅜	Exchequer 5pc '76-78	91½ xd	—¼	5.47	6.54
87⅛	75⅜	Electric 4¼pc '74-79	86⅞	—¼	4.92	6.46
84⅛	70½	Do. 3½pc '76-79	84¼	—¼	4.33	6.20
83¾	69⅛	Treasury 3½pc '77-80	83½	—¼	4.24	6.12
92⅝	76⅞	Funding 5¼pc '78-80	92½	—⅛	5.77	6.62
81⅝	67¾	Treasury 3½pc '79-81	81½	—⅛	4.32	6.18
107¼	92⅜	Do. 8½pc '80-82	106¾	—½	8.10	7.66
88¼	71	Funding 5¾pc '82-84	88	—¼	6.35	7.12
105	90¼	Treasury 8¾pc '84-86	104½	—½	8.28	8.15
		Over Fifteen Years				
89½	76	Funding 6½pc '85-87	87¼ xd	—¼	7.40	7.87
63⅞	47⅜	Transport 3pc '78-88	62½	—⅜	4.86	6.88
75½	61¼	Treasury 5pc '86-89	75	—½	6.83	7.79
97⅜	95	Treasury 8¼pc '87-90●	97	—⅝	8.65	8.62
78¼	67½	Funding 5¾pc '87-91	77¾ xd	—½	7.39	8.01
78½	66⅜	Funding 6pc 1993	78	—½	7.72	8.19
107¼	93⅞	Treasury 9pc 1994	106½	—¾	8.72	8.67
54	41⅜	Gas 3pc '90-95	53¾ xd	—¼	5.51	7.02
105¾	95	Treas. 9pc '92-6	105	—¾	8.77	8.72
54½	41	Redp 3pc '86-96	54½ xd	......	5.50	6.81
102⅝	90¼	Treasury 8¾pc 1997	101¾	—⅞	8.66	8.64
105⅜	94¼	Treas. 9pc '97 "A"	102½	—⅞	8.69	8.68
84⅞	72½	Treasury 6¾pc '95-98	82 ¼ xd	—½	8.14	8.37
53⅛	40¾	Funding 3½pc '99-04	51½	—⅝	6.89	7.59
68¾	57¾	Treasury 5½pc '08-12	68¼	—½	8.10	8.23

[illegible]

BUILDING INDUSTRY—Continued

1971 High	1971 Low	Stock	Closing Price pence	+ or —	Div. % or amount	Times covered	Gross yield pc	P/E Ratio
21½	11¼	J. B. Holdings 5p	20½	......	†20	2.5	5.0	9.4
31	11	Jackson (DT) 10p	25½	......	†17½	1.2	7.0	11.3
95	46	James (B.C.)	95	......	18	1.9	4.7	11.0
115	59	Jarvis (J.)	112	......	30	1.5	6.7	10.1
48	30	Jenkins (T.) 10p	46	—1	†17	1.9	3.7	14.4
70	47½	Jennings SA0.50	70	......	†hr10	3.6	3.3	8.4
374	152½	J'hns'n&Ricd 60p	360	+2	d18	2.8	7.5	14.2
38	22	Jones Edwd. 10p	36	......	27½	1.2	7.6	10.9
44	30	Kelz'r V'nalz20p	42	—1	15	1.1	7.1	13.2
26	9	Kenkast 10p	20	......	d7½	1.1	3.7	24.8
167	61	Kennedys'	163	—2	h22¼	1.9	3.5	14.7
178	76¼	Kier (J. L.)	171 xd	......	d25	Φ	3.7	Φ
57	32½	Lafarge	53	......	8.4	1.3	4.0	18.8
150	70	Laing (John) 'A'	149	—1	†49	2.4	1.5	27.9
221	150	Latham Jas. (£1)	220	......	12	1.2	5.7	15.0
135	104	Lead Inds&Gp 50p	122	......	11	1.9	4.5	11.4
37	23	Leaderflush (20p)	37	......	d10	0.8	5.4	21.8
65	26¼	Leyland Paint	64½	—½	†8½	1.7	3.2	18.1
75	67	Lilley (F.J.C.)	70	+1	h12	2.1	4.5	11.1
39	12½	Limmer Hdg.	32½	—1	●1	—	0.8	—
105	53¾	London Brick	95½	—1	15	1.5	3.9	17.2

[illegible]

DRAPERY AND STORES—Continued

1971 High	1971 Low	Stock	Closing Price pence	+ or —	Div. % or amount	Times covered	Gross yield pc	P/E Ratio
178	60⅝	Perkins (D.)	159	—1	h20½	1.6	3.3	19.1
156	73¾	Peters J.) Furn.	156	......	¶19	Φ	3.6	Φ
24½	10½	Plushpile 10p	22	......	¶16	1.9	8.0	7.2
36	23	Polly Peck 10p	31	......	d27½	1.5	8.9	7.6
69	37	Preedy (Alfred)	65	......	16½	1.1	6.3	14.9
17	11½	Queen St. W. 10p	14	—½	B—	—	—	—
12½	9½	Ramar Text 5p	10	—½	20	2.3	10.0	4.3
82	28	Ratners 10p	69	......	d30	1.5	5.1	13.8
109	67	Raybeck 10p	104	......	¶35	Φ	4.1	Φ
50	29	Readicut 5p	48½	—½	27	2.2	2.8	16.8
395	210	Reed Austn. 'A' £1	395	+10	49.2	1.9	2.4	23.2
46	25	Rivlin (ID&S) 10p	40	......	29½	1.5	7.4	10.8
125	62½	Rose (W&Paint)	120	—5	d25½	1.7	6.3	11.2
57	16½	S&U Stores 12½p	57	+1	d18	3.9	4.0	10.7
40	25½	Do. 25% Pf Od 12½p	39	......	25	3.8	8.0	3.3
174	88	Samuel (H.) 'A'	174	......	15½	2.1	2.2	21.5
19½	7½	Selincourt 5p	18½	—1	15	1.4	4.1	17.7
21	8	Sharna Ware 20p	17	......	—	—	—	—
26	7½	Sherman (S.) 10p	25	......	—	—	—	—
620	352½	Smith WH 'A' £1	517	......	12	2.0	2.3	21.7

[illegible]

CANADIANS

[illegible]

S.E. List Premium 2¾% (based on $2.6022 per £)

BANKS AND HIRE PURCHASE

†† Banks, etc.

[illegible]

Hire Purchase, etc.

[illegible]

BEERS, WINES AND SPIRITS

[illegible]

BUILDING INDUSTRY, TIMBER & ROADS

[illegible]

INTERNATIONAL BANK

[illegible]

CORPORATION LOANS

[illegible]

COMMONWEALTH AND AFRICAN LOANS

[illegible]

Corporation Short-dated Bonds

[illegible]

PUBLIC BOARD AND OTHER LOANS

[illegible]

FOREIGN BONDS & RAILS

[illegible]

London U.S. Dollar and DM Issues

[illegible]

Prices exclude inv. $ premium.

AMERICANS

[illegible]

S. E. List Premium 26¾ (based on $2.4790 per £)

ELECTRICAL AND RADIO

[illegible]

CHEMICALS, PLASTICS, ETC.

[illegible]

CINEMAS, THEATRES AND TV

[illegible]

DRAPERY AND STORES

[illegible]

ENGINEERING AND METAL—General—Contd

[illegible]

ENGINEERING AND METAL

[illegible]

FOOD, GROCERIES, ETC.

[illegible]

HOTELS AND CATERERS

[illegible]

HOTELS AND CATERERS—Continued

[illegible]

INDUSTRIALS (Miscel.)

[illegible]

INDUSTRIAL (Miscell.)—Continued

INSURANCE

MACHINE TOOLS

MOTOR, AIRCRAFT TRADES

Motors and Cycles

Commercial Vehicles

Aircraft

Components

Garages and Distributors

NEWSPAPERS, PUBLISHERS

PAPER, PRINTING, ADVERTISING

PROPERTY

PROPERTY—Continued

SHIPBUILDERS, REPAIRERS

SHIPPING

SHOES AND LEATHER

SOUTH AFRICANS

STEELS

TEXTILES—GENERAL

TEXTILES—WOOL

TOBACCOS

TRUSTS, FINANCE, LAND

Investment Trusts

Finance, Land, etc.

TRUSTS, FINANCE, LAND—Continued

UTILITIES

OILS

RUBBERS—MALAYSIAN

RUBBERS—MISCELLANEOUS

SISAL

TEAS

India and Pakistan

TEAS—Continued

India and Pakistan (cont.)

Ceylon

MINES—CENTRAL RAND

EASTERN RAND

FAR WEST RAND

O.F.S.

FINANCE

DIAMOND

PLATINUM

CENTRAL AFRICAN

AUSTRALIANS

TIN—EASTERN

TIN—NIGERIAN

TIN—MISCELLANEOUS

315	170	Beralt Tin	220	+5	184	2.0	:
6⅞	4½	Pahang (US$1)	[illegible]	......	—	—	—
340	160	Geevor	165 xd	−3	60	ϕ	9.1
128	101	London Tin (20p)	108	+1	42½	1.1	7.9
68½	50	St. Piran	55	......	20	1.4	9.1

COPPER

111	70	Esperanza (12½p)	79	−1	40	1.9	6.3
15⅛	10	Indian (10p)	11	......	11.1	3.0	10.1
265	222	Messina (R0.50)	222	−8	190	2.0	:

MISCELLANEOUS

7⅞	5	Burma Mines (17½p)	7	+1	—	—	—
26	17½	Cent. Prov. Min. 12½p	22½	−2	a12	ϕ	11.3
31	12½	Charterhall (5p)	13	......	—	—	—
612½	245	Cons. Murch (10c)	245	−15	180c	2.1	:
£82	£75	G. F. Mg. Ind. Db.	£82	......	7	38.0	e10.0
560	300	Northgate (C$1)	300	−6	50c	2.2	6.9
270	202	R.T.Z.	206	......	24	1.8	2.9
286	20	Sabina Inds. (C$1)	64	+4	—	—	—

For Notes, see Stock Exchange Dealings.

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THE LEX COLUMN

Index fell 2.6 to 417.5

Volume gains for Rowntree

Rowntree Mackintosh has been beating the market since the Bovril bid lapsed in August—if not by as much as Cavenham—and yesterday's news extended the trend with a 50p jump to 620p. Having forecast £7.2m. to £7.5m. pre-tax against £6.69m. (including £248,000 capital profits) back in July, Rowntree is now going to show "some increase" on the upper estimate, without the help of £350,000 profits on part of its Bovril holding.

With half-time profits £300,000 higher at £2.04m., that would be consistent with the seasonal pattern of the past couple of years. But decimalisation costs were accentuating the downtrend 12 months ago, while this time round cocoa costs, around 10 per cent. of the total and down by up to a tenth in the first half, should be rather more favourable again. Moreover, the postal strike distorted the first half interest charge, up by £130,000: that will be down for the rest of the year, and finally July's purchase tax cuts are having a noticeable impact on volume.

The fact is that U.K. volume was already picking up anyway, roughly 3 per cent. higher in the first half. Meantime, overseas sales are around a third of the total with Canada going especially well and European profitability rising as revenue catches up with an initially high costs structure. By the end of next year, Hershey will be operating a sizeable Kit-Kat factory in the U.S. So fears about U.K. chocolate confectionery consumption are looking progressively less relevant at the moment, and that could have interesting implications for a prospective p/e of perhaps 14½.

See also Page 31

DRG

A little under four months ago, the word from Dickinson Robinson was that a combination of the postal strike, delayed economic upturn and cost inflation would hit the first half profits of 1971. This has happened, with January/June down from £6.9m. to £5.8m. before tax. However, the consolation then was that the second half was expected to be "very much better." The forecast now is a second half "significantly" better than the first, but "somewhat less" than in the corresponding period of last year; it is unlikely that the market put that interpretation on the June forecast, or that the shares—which closed 7p lower at 151p ahead of the interim—will find any reason to recover this morning.

It is not that DRG's performance is bad. Against the general run of papermakers its concentration on conversion, and a limited production of high quality papers has always been a stabiliser. This has shown through again, with first half U.K. consumption of printing and writing papers (despite the postal strike) only 7 per cent. lower against a 15 per cent. drop in newsprint while packaging seems to have been mixed, but relatively steady on balance. However, a share price that rose while prospects declined leaves it out on a limb with prospective 1971 earnings of, say, 8p to 8½p a share. There may be evidence of a useful pick-up in volume to come in the next six months or so but it will take some sign that prices are likewise improving to give the shares—and the sector—some fundamental investment attraction.

See also Page 31

Adwest

Adding back a minor (£38,000) Rolls-Royce provision, Adwest's 1970-71 profits have risen 31 per cent. to £1.66m. before tax, against a 29 per cent. first half gain. Like a *number of engineering groups*, Adwest has been getting price increases across the board, and *there was also a turnround* from loss into profits by the Australian subsidiary. Individual divisions have all done well except agricultural and industrial equipment—which is no surprise as this has been a dud market for the past 18 months. Temporary damage on the automotive side from the Ford side may well have been made up thereafter.

Coming to the current year, turnover is slightly ahead so far. As for the property interest, the group now expects to get planning permission for additional land above the 10 acres already given the go-ahead at Woodley, where some 240 acres are waiting to be developed. After a 16p rise to 172p last night, a fully diluted p/e of 12¼ on earnings up from 9p to 13.8p still leaves room for an upward re-rating.

See also Page 31

United Newspapers

What United Newspapers had in its favour for 1971 were the round of cover price rises last autumn adding 1d, to the provincial evening papers (with a further slight rounding up from 7d to 3p last February), plus higher advertising rates, and savings from printing rationalisation worth £150,000 for the year as a whole. This underlying push has carried the group through a first half which was sticky for classified advertisements even before the postal strike got to work. After six months United has raised profits almost 5 per cent. to £1.53m., and the indications are that this trend can be held through to the end of the year.

The trading background remains unhelpful. The volume of classified advertising reflects the slump in two major categories, situations vacant and property; rate rises have hardly compensated, and the unemployment figures rule out any quick recovery, though at least car advertising has responded to the July mini-Budget. However, the printing moves have been successful, while the Yorkshire Post should avoid any repetition of the teething troubles at its new plant last year. Meantime Punch has turned round into the black, and has achieved a substantial rise in advertising bookings for this autumn.

Thus United could be heading for a 2p rise in earnings to 25p a share this year, for a prospective p/e at 250p of 10—a rating which hardly seems to recognise the quality of earnings implied by the provincial local monopoly positions, let alone the revenue boost which will flow from any economic upturn.

See also Page 29

Lombard

Threat to Fund's working life

BY C. GORDON TETHER

PIERRE-PAUL SCHWEITZER, the managing director of the International Monetary Fund, was certainly not exaggerating when he said earlier this week that the world currency crisis is hampering the organisation's day-to-day activity. For the convertible currency concept is central to its operational rule-book. And since there have been no convertible currencies in the prescribed sense since the Americans severed the link between the dollar and gold, serious difficulties are apt to be encountered all along the line in conducting even the most ordinary forms of business.

The fact that, as the internationally appointed police force of the fixed parities system, the Fund has a considerable interest in the outcome of the current debate on world monetary reform has received a great deal of attention during the past few weeks. What has attracted less notice is the extent of the immediate problems the breakdown of the previous international monetary order has created for the Fund in its currency traffic with members.

Distinction

In this connection, its Charter draws a clear and highly important distinction between currencies that are convertible and those that are not. In making repayments of previous borrowings, for example, members can *use gold, Special Drawing Rights* and—within certain limits—convertible currencies. What they cannot use are currencies that are not convertible.

In the ordinary way this presents no problem to countries whose payments positions are strong enough to enable them to make appropriate drawings on their external reserves. But it is a very different matter now that there are virtually no units that meet the Fund's definition of a convertible currency — that it should be freely exchangeable for gold within close distance of the parity notified to the Fund or into other currencies having this quality.

Cold comfort

Gold and SDRs are, of course, still acceptable to the Fund. But this is cold comfort to those many countries that have made a point of holding the great bulk, if not the whole, of their external reserves in dollar form. And *those that have gold at their disposal* are understandably reluctant to use it in transactions with the Fund at a $35 per ounce parity knowing that the official value of the metal could be raised to a materially higher level *at any moment*. Again, since the monetary value of SDRs is linked to gold, there is a comparable reluctance to utilise them *in such operations*.

Other functional difficulties arising from the fact that the whole of the Fund's financial structure is based on gold-dollar relationship that is now completely fictional—for all Washington's *insistence that the $35 per* ounce parity is immutable—are bound to be encountered to an increasing extent as the weeks go by. In respect, for instance, of the arrangements for purchases of newly-mined gold introduced at the end of 1969 and of the practice of re-selling this and other metal to members in connection with the periodic replenishment of the Fund's holdings of the more wanted currencies.

Rule-book

It is, of course, true that with many of their currencies on a floating basis, the heavy-weight countries will have little need for the present to make use of the Fund's machinery for dealing with fluctuations in their international payments fortunes. But many of the smaller coun*tries will obviously continue to* want to avail themselves of it. Indeed, if the recent deterioration in the international economic climate persists, they may soon stand in much greater need of such outside help.

From the Fund's point of view, therefore, the present uncertainty cannot be ended too soon. If, however, it soon becomes apparent that American intransigence is going to mean a long *drawn-out* struggle, it will become imperative to re-cast its rule-book to enable it to live—in the operational sense at least—with a situation wherein the non-convertible currency is the rule rather than the exception.

Irish hopes for changes in internment policy

BY DOMINICK J. COYLE

IRISH officials were satisfied last night, following the Chequers talks, that there is likely to be some modification to the internment policy in Northern Ireland inside the next few weeks. This is expected to include the release of some of the 219 men now interned.

I understand that there was no specific proposal on internment agreed to between the three Prime Ministers, but Mr. Lynch and his officials anticipate that there will be some early concessions designed to encourage the abstentionist Stormont MPs and senators to join *the peace conference proposed* by Mr. Maudling.

Conference

Both the Social Democratic and Labour Party (SDLP) and the Nationalists continue to insist that internment must be ended before they will consider joining in the Maudling con*ference, but Mr. Lynch indicated* last night that he personally would like to see this initiative getting off the ground.

Dublin officials see some significance in the agreement by the three Premiers that "it is our *common purpose to seek to bring* violence and internment and all other emergency measures to an end without delay." They interpret this specifically as something of a "give" in the combined London/Belfast position on internment, and suggest that this might be met by some concession on the part of the SDLP and the Nationalists.

Mr. Jack Lynch

Mr. Lynch, speaking at a Press conference in the Irish *Embassy last night, emphasised* that it was vital that the elected representatives of the Northern Ireland minority should be brought into the process of government as soon as possible. Failure to do so, he suggested, *could only reinforce* the influence and authority of the IRA. He had, he said, made this point direct and strongly to Mr. Heath and Mr. Faulkner.

The next step may be for the Northern Opposition parties to have discussions with Mr. Maudling on the basis of "talks about talks." In the event of agreement as to how and when internment might be finally ended, then the SDLP and the Nationalists could decide to join in the wider talks as proposed by the British Home Secretary designed to get agreement on a revised structure of government in Northern Ireland.

Overall, Mr. Lynch seemed moderately happy with the tripartite meeting, the first such discusions between the London, Dublin and Belfast Prime Ministers for almost 50 years. One Irish official summarised the talks this way: "We certainly gave nothing away, so Mr. Lynch cannot be accused *in Dublin* of a 'sellout'. Meanwhile, we are still talking, so the situation is not without hope."

'No sell-out' assurance pleases Mr. Faulkner

BY RICHARD EVANS, LOBBY CORRESPONDENT

MR. BRIAN FAULKNER, the Ulster Premier, left Chequers well satisfied that he had not been left too exposed to pressures from Northern Ireland Protestant extremists.

He emphasised at an Ulster Office Press conference last night that he would be able to take two vital assurances back to Northern Ireland following the talks with Mr. Heath and Mr. Lynch.

First, Northern Ireland's position as part of the U.K. was "absolutely secure" and it was obvious there would be no sell-out of Ulster's interests.

All agree

Second, the three Prime Ministers had all agreed to co-operate in bringing to an end the violence in Northern Ireland.

Mr. Faulkner saw this as a key part of the agreed communique, and he emphasised time and time again that an end to the violence remained his top priority. He stressed that there *could only be an end to intern*ment once terrorism had ceased.

"We said it was our determination to end violence and internment as quickly as possible and you will clearly see from that what our priorities are," he declared.

He remained utterly convinced that his policy of locking-up men involved in a campaign of violence had taken from the streets the possibility of additional murders and he was not prepared to weaken on that.

There appeared to be no change in Mr. Faulkner's position *on the broadening of his administration* to include minority opinion. He said he remained willing to work with minority representatives provided everyone agreed on fundamental principles—particularly the maintenance of Ulster's links with Britain.

For this reason he could not see Social Democrat and Labour Party leaders, such as Mr. Gerry Fitt and Mr. John Hume, joining a Cabinet led by him.

Mr. Faulkner accepted that the Irish authorities were taking steps to control the smuggling of explosives over the border but he was not satisfied that enough was being done. He also remained convinced that there were IRA training camps on Irish territory and he urged Mr. Lynch to close these down.

Asked whether he expected any political *initiative to follow* the Chequers meeting, Mr. Faulkner said he did not, but he placed importance on the publication next month by the Stormont Government of a consultative document giving the argu*ments for and against a change* in the voting system. It would also state the case for an enlargement of the two Houses of Parliament in Belfast to include more minority representatives.

On the talks in general, he thought they had achieved a better understanding, particularly between Mr. Lynch and *himself, and a better understand*ing by Mr. Lynch of the gravity of the situation. He emphasised that no concessions had been sought by any of the three Prime Ministers, and none had therefore been made.

Opposition MPs refused Ulster meeting point

By Our Own Correspondent

LONDONDERRY, Sept 28.

PLANS BY Northern Ireland Opposition MPs to hold the first meeting of their proposed alterna*tive assembly to Stormont in* Londonderry Guildhall have been blocked.

Londonderry Development Commission to-day decided not to allow the building to be used for public functions until further notice for security reasons and in the interest of all sections of the community. No further bookings would be accepted and exist*ing ones would be cancelled.*

The *Opposition* groups had applied for the use of the building's assembly hall on October 5.

Checks on bridges hold up opening of M1 links

By John Hunt

THE OPENING of big sections of motorway which would link the M1 with the centre of Birmingham and with the M6 north of the city has been delayed for several months.

The hold-up has been caused because Government officials *have not completed safety checks* on several box girder bridges which will carry the roads.

The delay affects a seven-mile length of the Midland Links Motorway between Great Barr and Castle Bromwich. The large *four-level interchange at Gravelly* Hill, which joins the Links Motorway to the Aston Expressway, is also delayed.

Completion of the Aston Expressway, which goes into the centre of Birmingham, is also *likely to be behind schedule.*

The motorway bridges are among the 61 under construction which are being inspected by officials of the Department of the Environment. The checks were ordered following the collapse *last year of the Milford Haven* Bridge and the Yarra Bridge in Australia, both using the box girder system.

The Department of the Environment said last night that work on the Birmingham sec*tions had been due for comple*tion before the end of the year. But there would now be a delay of "some months" while appraisals and safety checks continued.

No firmer indication of a com*pletion date could be given* and the department said a further announcement will be made as soon as possible.

Work on the remaining unfinished section of the Midlands Links Motorway between Ansty, *north-east of Coventry*, and the M1 at Catthorpe in Leicestershire, is nearing completion and it should be ready for opening in November as planned.

Lines Bros. voted into liquidation

BY NICHOLAS LESLIE

APPROVAL was finally given *yesterday by shareholders* of Lines Brothers to put the parent company of the Meccano, Tri-ang and Pedigree toys group into creditors' voluntary liquidation. Initially, the resolution was again defeated on a show of *hands*, but the margin was insufficient and a subsequent poll vote overwhelmingly approved the move.

After the shareholders meeting in London, adjourned from September 7, the company's *creditors approved the appoint*ment of Mr. Paul Shewell, of accountants Cooper Brothers, and Mr. Michael Jordan, of Cork Gulley and Co., as joint liquidators. In addition, a committee of inspection was set up of five *creditors and three shareholders* which will work with the liquidators in forming policy for the disposal of assets.

Much of the shareholders' meeting was taken up with going over the same ground as at the *meeting three weeks ago. Many* shareholders still appeared uncertain as to what a liquidation would involve, what harm might be done to the group's position if liquidation was rejected and what return, if any, shareholders *might eventually get.*

Pearl's intention

Outlining events of the last few weeks and answering questions, Mr. John Darby, Lines' chairman, said that General Foods had withdrawn as a possible bidder because it felt there was insufficient time to assess the situation and it was unhappy about the legal situation in respect of the recent hiving off *of some major trading subsidi*aries to new subsidiaries.

Mr. Darby warned shareholders that the Pearl Assurance Company, as trustees of the Lines loan stock, had stated its intention of petitioning for a winding-up if a voluntary liquidation was again thrown out.

*Putting the case for safe*guarding the position of employees, Mr. Darby pointed out that any further postponement of liquidation would take proceedings closer to Christmas, after which the company would *move from a positive cash flow* position into a cash deficit. If this happened, it would be more difficult to sell off the assets and some principal subsidiaries might have to close down.

At the creditors' meeting, it *was revealed that Mr. Graeme* Lines, a former director, is owed some £30,000 as the balance of around £45,000 to be paid as compensation for loss of office and that Mr. Moray Lines, a present director and former *chairman, is in line for a £50,000* payment as compensation. Both are unsecured creditors and thus rank before shareholders in the event of any distribution.

Charge to reserves

Also, Mr. Shewell pointed out that in the years 1966-69, when declared profits after tax were about £3.9m., there had been exceptional losses charged to reserves of £2.1m. in the same period. Thus, the position of the subsidiaries had not been apparent from reported profits, he said.

It appears that possible bids for any of the Lines' subsidaries will not be entertained for at least a few weeks. This is because further investigations are necessary by the liquidators to assess the worth of the assets and to formulate a policy, with the committee of inspection, which will enable the best possible price to be realised for *assets.*

One thing, however, remains clear: whatever the amount realised Lines' members will not get any return on their shares.

Criticism of Soviet expulsions rejected

BY MICHAEL SIMMONS, EAST EUROPEAN CORRESPONDENT

CRITICISM levelled at the Government yesterday by Mr. Michael Stewart, the former Labour Foreign Secretary, for its over-hasty expulsion of the 105 Soviet diplomats and officials was flatly rejected in Whitehall last night. To have sent the offending Russians home "more steadily and gradually," as advocated by Mr. Stewart, would not have served Britain's interests, officials said last night.

The feeling in Whitehall is that Britain still has a considerable edge over the Russians in *the affair so far, and that there* would still be no hesitation in expelling more Soviet officials if the retaliatory action being considered in Moscow warranted this.

Politburo talks

In Moscow, reports were circulating that an emergency *session of the Politburo was held* at Vnukovo Airport on Monday evening, immediately after the return of Mr. Leonid Brezhnev, the Party leader, from his East European tour. Mr. Yuri Andropov, head of the KGB, which has been blamed by Britain for orchestrating the activities of the expelled officials, *was among the high-powered* group which met Mr. Brezhnev.

A despatch in Pravda, the Party newspaper, told Soviet readers that spy-scare and "anti-Soviet hysteria" were being whipped up in London "for *political ends." It did not say* anything of the scale of the expulsions.

A ten-day tour of Britain by 29 Soviet specialists in food and tobacco processing methods, which was to have begun to-day, *has been cancelled.* Mr. L. R. Temple, managing director of Progressive Tours, which arranges many such visits to and from Eastern Europe, said last night the trip had been cancelled because members of the group *did not think the present Anglo-*Soviet "atmosphere" was conducive to its success.

The group was to have visited companies including Guinness, Brooke Bond Liebig, the British American Tobacco Company, and United Biscuits. Mr. Temple said he knew nothing of any alterations in plans by any other groups for whom he was making arrangements.

The top-level group studying the British container industry, here as guests of the Confederation of British Industry, continued its tour with visits to companies in the Buckinghamshire area yesterday.

The Foreign Office would neither confirm nor deny last night that Mr. Yuri Khodyaev, head of the Sovexportfilm agency *in London, was one of the 105* ordered home. It is understood, however, that he is in fact to leave the country *soon.* Callers at his office, which brought such films as "The Great Battle" (now showing in London) to this country, found the doors locked.

One of the agency's employees said yesterday there was a strong possibility the *agency would* cease business in this country.

It is also understood that Mr. Viktor Karyagin, a Counsellor at the Soviet Embassy, is among those who have been ordered to leave the country. One of his *predecessors*, Mr. Alexander Borisenko, also in the Embassy's cultural department, was involved a few years ago in the case of Douglas Britten, who was imprisoned in 1968 for 21 years for passing highly secret information to Soviet intelligence.

Narodny Bank

But it has now become clear that no Soviet nationals working in the Moscow Narodny Bank, *either as members of the Board* or in any other capacity, have been told to leave the country or barred from re-entering Britain.

Reports that have appeared in the Press, including the *Financial Times yesterday*, to this effect are therefore described as without foundation.

Continued from Page 1

Barber's payments warning

dollar's role as numeraire. He added: "I think this freedom would be welcome to the U.S." While many sections of American opinion want to see the dollar lose its pivotal role, Mr. Barber's firm assurance on the popularity of his proposals with Washington shows that he is confident of backing from the Administration at the highest level.

Although the SDR would play the key role in the world monetary system under the Chancellor's proposals, Mr. Barber was careful to avoid offending Continental susceptibilities by leaving open the future role of gold. On this point, he confined himself to saying that among those details of his scheme which had still to be worked out was the whole *question of the Special Drawing* Rights' own valuation and "whether there should be some *point of reference independent* of currencies."

However, he made clear that a switch to an SDR standard would involve remodelling the present asset to remove the elements of credit and end the *obligation to reconstitute draw*ings from the Fund. It would also be necessary to decide the rate of interest countries should receive on SDRs issued in exchange for reserve currency holdings and the speed at which *such conversions should be made.*

Although the primary aim of this funding operation would be to stabilise existing dollar balances in the world, Mr. Barber made clear that it would also be used to run down Britain's reserve commitments *in conformity with the Govern*ment's promise to the Common Market.

This week's meeting is expected to end with a general resolution underlying the seriousness of the present situation and calling on *the IMF staff and perhaps the* Group of Ten to start studies on the longer-term reorganisation of the monetary system. This will give the British Government an opening to press its Special Drawing Rights plan which has also *been launched at a timely* moment since the SDR scheme comes up for renewal next year.

Weather

U.K. TO-DAY

Most areas: Dry with su[nny] spells after early-morning m[ist]. N and W Scotland, N Irel[and]: Cloudy, with some rain or dri[zzle]. Temps. much as yesterday.

London, SE, Cen. S, E, SW, [illegible] Cen. N, NE England, E. An[glia], Midlands, Wales

Dry with sunny spells. *early. Wind light variable.* N[ormal] or a little above normal. Max. [illegible] (63F).

Channel Isles

Dry and sunny. Wind l[ight] variable. Normal. Max. [illegible] (63F).

Isle of Man, SW Scotland, Glasgow

Mostly dry. Cloudy with su[nny] spells. Wind SW light. Nor[mal]. Max. 15C (59F).

E. Scotland, Edinburgh, Dun[dee]

Dry. Sunny spells. Wind light or moderate. Normal. [Max.] 14C (57F).

Rest of Scotland, N Irelan[d]

Cloudy. Occasional rain, drizzle. Wind SW mod[erate], locally fresh. Normal. Max. [illegible] (57F).

Outlook: Dry in most a[reas]. Overnight mist and fog m[ainly]. Rain at times in NW.

BUSINESS CENTRES

	Y'day Mid-day	°C	°F		Y'day Mid-day	°C	°F
Amstrdm.	C	13	55	Madrid	[illegible]	[illegible]	[illegible]
Bahrain	S	33	91	Manchstr.	[illegible]	[illegible]	[illegible]
Beirut	F	27	81	Melbourne	[illegible]	[illegible]	[illegible]
Belfast	C	12	54	Mexico C.	[illegible]	[illegible]	[illegible]
Belgrade	F	25	77	Milan	[illegible]	[illegible]	[illegible]
Berlin	C	14	57	Montreal	[illegible]	[illegible]	[illegible]
Birmghm.	C	14	57	Moscow	[illegible]	[illegible]	[illegible]
Bristol	C	16	61	Munich	[illegible]	[illegible]	[illegible]
Brussels	C	15	59	Newcastle	[illegible]	[illegible]	[illegible]
Budapest	F	22	72	New York	[illegible]	[illegible]	[illegible]
B. Aires	C	17	63	Oslo	[illegible]	[illegible]	[illegible]
Cairo	S	30	86	Paris	[illegible]	[illegible]	[illegible]
Cardiff	F	16	61	Prague	[illegible]	[illegible]	[illegible]
Cologne	R	12	54	Reykjavik	[illegible]	[illegible]	[illegible]
Copnhagn.	C	14	57	Rio de J'o	[illegible]	[illegible]	[illegible]
Dublin	F	15	59	Rome	[illegible]	[illegible]	[illegible]
Edinb'rgh	C	14	57	Singapore	[illegible]	[illegible]	[illegible]
Frankfurt	C	13	55	Stockholm	[illegible]	[illegible]	[illegible]
Geneva	F	17	63	Strasbourg	[illegible]	[illegible]	[illegible]
Glasgow	C	15	59	Sydney	[illegible]	[illegible]	[illegible]
Helsinki	C	11	52	Tehran	[illegible]	[illegible]	[illegible]
H. Kong	S	28	84	Tel Aviv	[illegible]	[illegible]	[illegible]
Jo'burg	S	22	72	Tokyo	[illegible]	[illegible]	[illegible]
Lisbon	S	24	75	Toronto	[illegible]	[illegible]	[illegible]
London	C	14	57	Warsaw	[illegible]	[illegible]	[illegible]
Luxembrg.	C	11	52	Zurich	[illegible]	[illegible]	[illegible]

HOLIDAY RESORTS

	Y'day Mid-day	°C	°F		Y'day Mid-day	°C	°F
Ajaccio	S	25	77	I. of Man	[illegible]	[illegible]	[illegible]
Alxndria.	C	26	79	Istanbul	[illegible]	[illegible]	[illegible]
Algiers	F	24	75	Jersey	[illegible]	[illegible]	[illegible]
Athens	S	25	77	Locarno	[illegible]	[illegible]	[illegible]
Barcelona	C	21	70	Luxor	[illegible]	[illegible]	[illegible]
Biarritz	F	20	68	Majorca	[illegible]	[illegible]	[illegible]
Blackpool	C	15	59	Malaga	[illegible]	[illegible]	[illegible]
Bordeaux	C	20	68	Malta	[illegible]	[illegible]	[illegible]
Boulogne	C	14	57	Nairobi	[illegible]	[illegible]	[illegible]
Casablnca.	F	25	77	Naples	[illegible]	[illegible]	[illegible]
Cape Tn.	C	13	55	Nice	[illegible]	[illegible]	[illegible]
Corfu	C	24	75	Nicosia	[illegible]	[illegible]	[illegible]
Dubrovnik	C	23	73	Oporto	[illegible]	[illegible]	[illegible]
Faro	F	24	75	Rhodes	[illegible]	[illegible]	[illegible]
Florence	C	19	66	Salzburg	[illegible]	[illegible]	[illegible]
Funchal	F	23	73	St. Moritz	[illegible]	[illegible]	[illegible]
Gibraltar	F	24	75	Tangier	[illegible]	[illegible]	[illegible]
Guernsey	F	16	61	Tunis	[illegible]	[illegible]	[illegible]
Innsbruck	R	12	54	Valencia	[illegible]	[illegible]	[illegible]
Inverness	R	12	54	Venice	[illegible]	[illegible]	[illegible]

F—Fair. R—Rain. S—Sunny. C—[Cloudy].

STRAINSTALL EXPANSION

Strainstall, of Cowes, I[sle of] Wight, which specialises in [illegible]ing on the strains and st[resses] on industrial structures, [has] opened a civil engineering d[epart]ment.

The new section will be [under] the supervision of Mr. A. [illegible] MICE. This development [follows] the recent purchase by the [com]pany of the civil engin[eering] department of S. Davall and [Sons], Greenford, Middlesex.